

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS



*“Wyandotte County
Strong Communities, Friendly People,
Shopping & Entertainment.”*

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended December 31, 2012**

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT For the year ended DECEMBER 31, 2012



Prepared by:

Finance Department of the Unified Government of Wyandotte County/Kansas City, Kansas

REASONABLE ACCOMMODATIONS WILL BE MADE TO QUALIFIED INDIVIDUALS WITH DISABILITIES ON AN AS NEEDED BASIS, PROVIDED ADEQUATE NOTICE IS GIVEN.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

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INTRODUCTION



County Administrator's Office
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June 20, 2013

To the Honorable Mayor, the Unified Board of Commissioners and Citizens of the Unified Government of Wyandotte County/Kansas City, Kansas:

The Office of the Chief Financial Officer and the Office of the County Administrator are pleased to submit to you the Unified Government's 2012 Comprehensive Annual Financial Report (CAFR).

Management has prepared and is responsible for the financial statements and for the integrity and consistency of other information in the Comprehensive Annual Financial Report. The financial statements, which necessarily include amounts based on management estimates and judgments, have been prepared in conformity with Generally Accepted Accounting Principles (GAAP). Management is responsible for the accuracy, completeness, and fairness of the presented data, including all disclosures. The data, as presented, is accurate in all material aspects. It is presented in a manner designed to fairly set forth the financial position and results of the operation of the Unified Government as measured by the financial activity of its various fund types. It also includes all disclosures necessary to enable the reader to gain an understanding of the Unified Government's financial affairs.

The Unified Government maintains a system of internal controls designed to provide reasonable assurance that: assets are safeguarded; transactions are executed in accordance with the Unified Government's authorization requirements and policies; and transactions are properly recorded to allow preparation of financial statements that fairly present financial position and results of operations in conformity with generally accepted accounting principles. Internal accounting controls are augmented by written policies covering standards of personal and business conduct and organizational structure providing for division of responsibility and authority.

The effectiveness of and compliance with established control systems is monitored through a continuous program of internal controls. In recognition of cost-benefit relationships and inherent limitations, some features of the control system are designed to detect rather than prevent errors, irregularities and departures from approved policies and practices.

Management believes the system of controls has prevented or detected on a timely basis any occurrences that could be material to the financial statements and that timely corrective actions have been initiated when appropriate.

The Unified Board of Commissioners has engaged the firm of Allen, Gibbs & Houlik, L.C., independent auditors, to render an opinion on the financial statements. To the best of our knowledge, the independent auditors were provided access to all information and records necessary to render their opinion.

The independent audit of the financial statements of the Unified Government is part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The

standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Unified Government's separately issued Single Audit Report.

The CAFR follows the organization, form and content of the revised principles prescribed by the Governmental Accounting Standards Board (GASB), State of Kansas, Unified Government policy, and the Government Finance Officers Association. There are two groups who are primarily responsible for determining current governmental accounting and reporting practices. They are the American Institute of Certified Public Accountants (AICPA), and GASB. The Unified Government of Wyandotte County/Kansas City, Kansas has adopted these reporting guidelines as its policy and complies with them.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Unified Government's MD&A can be found immediately following the report of the independent auditors.

General Information

The Unified Government of Wyandotte County/Kansas City, Kansas was created October 1, 1997, based on a citizen vote to consolidate the operations of the City of Kansas City, Kansas and Wyandotte County, Kansas.

Wyandotte County is located at the confluence of the Kansas and Missouri Rivers and at the crossroads of two transcontinental interstate highways. Two large railroad-switching yards are located in the Unified Government, which is also the base for several truck freight companies. The Unified Government is also the home to the Kansas Speedway Corporation, owners and operators of the 1.5 mile super speedway, which opened in the spring of 2001. The super speedway is located in the northwest corner of the junction of I-435 and I-70.

Government Structure

The Unified Government is the government for both Wyandotte County and the City of Kansas City, Kansas. The governing body of the Unified Government consists of a ten-member Commission and a Mayor/Chief Executive Officer. Eight Commission positions are elected within geographic districts. Two Commission positions cover half of the County; each with candidates selected in the primary election within their district and in the general election on a countywide vote. The Mayor runs countywide in the primary and the general elections. In addition, the Mayor appoints the County Administrator with approval of the Commission. The Commission annually adopts a balanced budget and establishes the amount of taxes to be levied for the support of Unified Government programs. The County Administrator has the responsibility of administering these programs in accordance with policies and the annual budget adopted by the Commission.

Economic Condition and Outlook

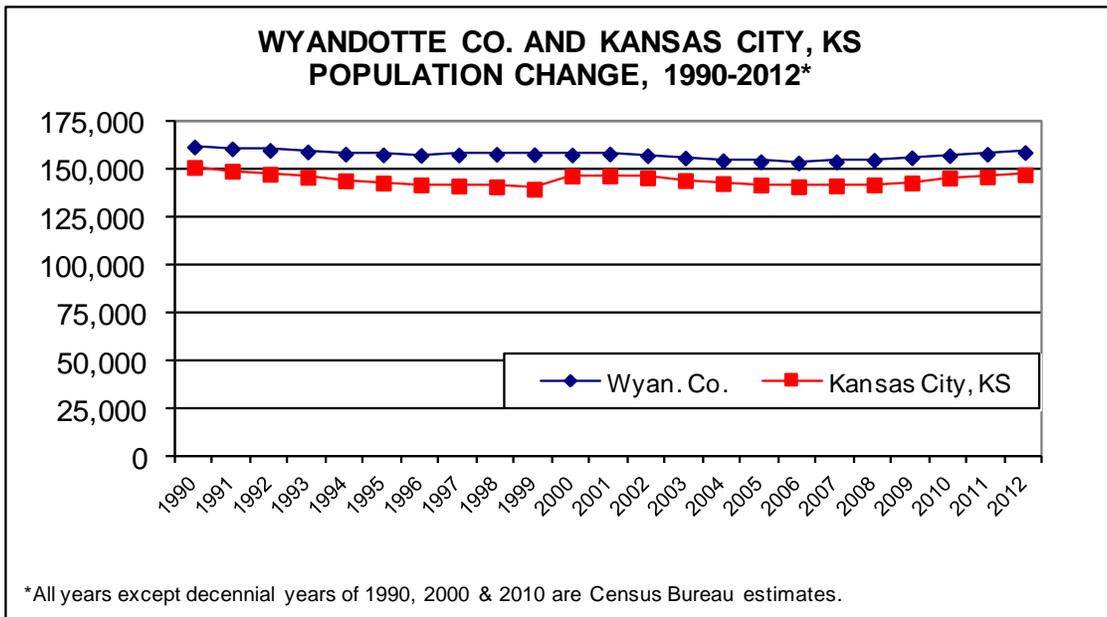
The Unified Government is the government for both Wyandotte County and the City of Kansas City, KS. Wyandotte County accounts for a large number of manufacturing, transportation and distribution, including rail, and health care jobs in the metropolitan area. Many of these jobs are high paying and contribute to the positive statistics regarding gross payroll and gross sales. Development remains an important priority for the Unified Government.

The economic outlook for Wyandotte County and Kansas City, KS remains strong. In 2011, three significant projects moved forward. These developments included the opening of Livestrong Sporting Park, an 18,000 seat home KC Sporting of Major League Soccer; the near completion of Hollywood Casino (opened February

2012); and the initial construction of the Cerner's Corporation 600,000 square foot office complex. The initial phase of the Cerner Office development is expected to open in 2013. These three developments will have a broad-ranging impact upon the community. They have created over 1,500 construction jobs and 5,000+ permanent jobs (upon project completion). The projected valuation of these projects will increase the property valuation of the community by over \$400 million. A tax on net gaming revenues from the casino will also generate in excess of \$3 million dollars on annual basis for the City and county government. In addition, these developments are expected to stimulate the housing the nearby housing markets, as evidenced by developer interest and intent in moving forward with sizable market-rate multi-family developments. (These projects and other economic trends are further reviewed in this transmittal letter.)

Population

During the 1970's and 1980's, the population loss of Wyandotte County exceeded 6 percent. In the 1990's, the loss was less than 3 percent. The 2000 total for Wyandotte County and Kansas City were 157,882 and 146,866 respectively. This year the Census Bureau released data from the 2010 Census which showed Wyandotte County's population to be 157,505. This is a modest decline of 0.2% from the Census 2000 population count. Kansas City's population was 0.7% lower in 2010 (145,786) than in 2000. Both figures represent a stable population. A 2012 Census estimate for Wyandotte County showed a population of 159,129. This is a 1.0% increase in population since the 2010 Census. Finally, Between 2000 and April 2013 permits have been issued for the construction of 4,650 new residential units in Kansas City, Kansas.



Housing and Construction

New single-family permits issued for 2012 totaled 108 and 73 in 2013 (through April). The decade of the 2000's saw more new single-family building permits (3,098) than any other prior decade going back to the 1960's. The Home Builders Association of Greater Kansas City tracks new housing starts for 69 communities in an eight-county Kansas City area and, for the first quarter of 2013, Kansas City, Kansas ranks fourth among all cities in the number of single-family units added.

The strategic plan developed by the Wyandotte County Economic Council calls for the aggressive marketing of the I-435/K-7 highway corridor as a prime development area. Between 2000 and March 2013 permits have been issued for the construction of 4,632 new residential units in Kansas City, Kansas. This area of the City has accounted for 2,814 new residential units or 61% of the newly built units since 2000. Examples of current active subdivisions are Whispering Ridge (The Lake), Genesis at Piper, Piper Landing, Northridge, Highlands at Piper and Stonehaven Estates. These development have homes ranging in price from \$80,000 to \$250,000.

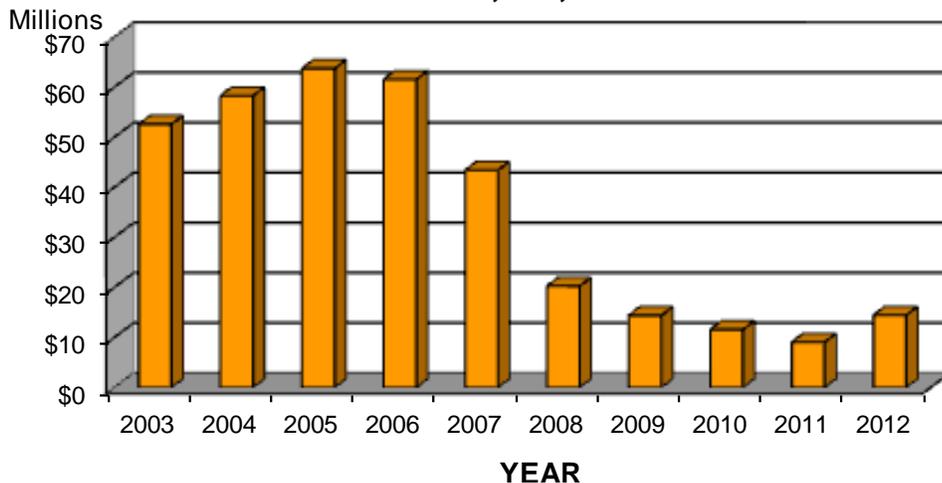
Delaware Highlands located east of K-7 on State Avenue, saw a high level of construction between 2004 and 2009. Additionally, through March 2013, permits for 17 single-family units have been issued. The prices of these units range from \$80,000 to \$120,000. This development has attached town homes, duplexes, and detached single-family homes. In 2012, the Delaware Ridge area saw construction begin on a \$11.6 million apartment complex called, Delaware Ridge the Heights, that will have 228 units in 17 buildings.

Building upon the success of Village West and the Hollywood Casino, interest in multi-family residential housing developments has occurred. The Legend Apartments is a \$30 million, 306 unit, project. These market rate apartments will be located just west of Village West on 110th St. between State Ave. and Parallel Pkwy. Grading of the site has begun and a building permit issued in April 2013. Plans are being formulated for a third market rate apartment complex located at 122nd and State Avenue. This project, Prairie Heights, is anticipated to include 332 units.

Community Housing Wyandotte County (CHWC) is a non-profit, community development corporation, whose mission is to stabilize, revitalize, and reinvest in Kansas City, Kansas neighborhoods through affordable housing, homeownership promotion, and community building. CHWC focuses its programs in the urban core neighborhoods of Kansas City, Kansas/Wyandotte County. Additionally, CHWC has provided more than \$2,000,000 in grants, minor home repair loans, and mortgages to low- and moderate-income households in the community. To date, CHWC has built and sold over 200 new single-family homes in the urban core east of I-635.

The Neighborhood Stabilization Program (NSP) is a federal Housing and Urban Development program and was established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. This stabilization is realized through the purchase and redevelopment of foreclosed and abandoned homes and residential properties. The Unified Government has received over \$12 million in funding from two phases of the NSP program. Funds from this program have improved residential properties throughout Wyandotte County with special emphasis on the northeast area of Wyandotte County. Funds from the first round of NSP funding have rehabbed 52 units with 51 of these being sold. The third round of NSP funding is currently being utilized and to date one unit sold, six homes have been completed, 16 new units are under construction and four units are being rehabilitated.

NEW SINGLE-FAMILY HOUSING, CONSTRUCTION VALUE KANSAS CITY, KS, 2003-2012



Village West

In recent years, efforts have been directed toward the development of a 1,600-acre tract of land, located directly northwest of the intersection of Interstate Highways I-70 and I-435. The Unified Government attracted the Kansas Speedway as the economic catalyst for development of this tract using the STAR Bond financing incentive. The speedway project, totaling more than \$280 million, is a 1.5-mile tri-oval on approximately 1,100 acres of land, with 72 luxury hospitality suites and grandstand seating for 82,000. The speedway has at least

four major race events per year, and is in use approximately 200 days per year for various events, including driving schools, charity events, and track tours. In 2011, a second NASCAR Sprint Cup race was added to the racing schedule. It is estimated that this second race has an economic impact of \$100 million in the Kansas City metro area. With the addition of this second race, the Kansas Speedway invested \$3.5 million in 2010 to add lighting to the Speedway for night races. The speedway has completed a \$6.5 million renovation project that includes repaving, reconfiguring and rebanking of the track. Also, a new infield road course was added for Grand-Am Road Racing. In August 2013 the Kansas Speedway will host two Grand-Am Road Racing events: the Rolex Sports Car Series and the Continental Sports Car Challenge Series. In its first eight seasons, Kansas Speedway has operated at or near capacity for all major race events.

In December 2009, the Kansas Lottery Gaming Facilities Review Board approved the construction of a casino in Wyandotte County. Kansas Entertainment, the casino developer, completed construction of phase one of the project which opened in February 2012 and is adjacent to the Kansas Speedway. Hollywood Casino owned property is appraised at \$173 million for the 2012 tax year. The first phase of the project includes 2,000 slot machines, 64 table games, restaurants and bars. The proposal also included the second Sprint Cup NASCAR race and Grand-Am sports car road course mentioned above. The casino project created an estimated 1,500 construction jobs and employs approximately 750 casino employees. In the second phase of the project, a 300-room hotel with convention space is planned, along with an entertainment district featuring more restaurants and nightclubs, expanded gaming floor, and a spa. The casino opened in February 2012.

Joining Kansas Speedway at Village West are major destination retailers and entertainment business that attracted approximately 10 million visitors and shoppers in 2012. The initial anchor businesses and attractions include: Cabela's, a 195,500 square-foot store with 116,666 square feet of retail space featuring hunting, fishing, and other outdoor items with an 11,000 square-foot museum and 60,000-gallon aquarium (opened August 2002); Nebraska Furniture Mart which opened in August 2003 is a 1,075,000 square-foot store with 450,000 square feet of retail space and an adjacent warehouse that sells furniture, electronics, appliances, and floor coverings; and the Great Wolf Lodge and Resort, a 281-room lodge with a 40,000 square-foot indoor water park (opened June 2003). In 2010, Great Wolf Lodge invested nearly \$500,000 to upgrade a water park slide and Cabela's invested \$500,000 on an interior remodel.

In addition to the Great Wolf Lodge, four other hotels have opened in Village West, including a Hampton Inn (opened in 2003 with 76 rooms), the Chateau Avalon (opened in 2004 with 62 rooms), a Holiday Inn Express (opened in 2005 with 96 rooms) and Country Inn (opened in 2008 with 117 rooms). An 86-room Best Western opened in July 2011 and is located adjacent to the Sporting KC MLS soccer stadium.

The Legends Outlets Kansas City, formerly the Legends at Village West (the "Legends") is a more than \$230 million shopping center housing nearly 855,000 square feet of retail, dining, and entertainment. The Legends 14 Theatre complex (87,000 square feet) is the largest of the tenants. Dave and Buster's, with nearly 50,000 square feet, is a large restaurant/arcade. In 2006, the grand opening of the Legends occurred. Currently, over 100 businesses are open with many of the stores and restaurants new to the Kansas City area, creating a unique destination. Several stores opened at the Legends in 2011, including Chico's, Soma Intimates, Under Armour Factory House, Saks Fifth Avenue Off 5th, J Crew Factory, and Charming Charlies. In 2012, the following stores opened: Cole Haan, Crazy 8, Dress Barn, Uniform Destination, White House/Black Market, and Chili's (reopened). Thus far in 2013, a new Five and Dime General store has opened.

On 1/25/13 E3 Realty Advisors conducted a foreclosure sale of the Legends property. This sale received strong interest from several major real estate trust funds, real estate investors and shopping center developers. The winning bid of \$131.5 million was submitted by KKR Real Estate Fund Holdings LP of New York. The close of this property sale was completed in March of 2013.

As of November 2012, 111 businesses, including 29 restaurants, were open in Village West, employing nearly 5,700 persons. In 2011 businesses generated over \$560 million in retail sales with local and state sales tax, use tax and transient guest tax collections of over \$56 million. Through November 2012, these taxes are up 14%. The 2011 real and personal property taxes levied for this development area was just over \$14 million.

Approximately \$445 million in sales tax special obligation revenue bonds (STAR bonds) have been issued for Village West development. As of December 31, 2012 outstanding principal on STAR bonds was \$183.6 million. Once these bonds are retired local sales tax revenues will flow to the city and county governments. The STAR bonds remain on schedule for 2017 redemption. The government is then projected to receive over \$13 million on an annual basis.

The Unified Government, Zimmer Real Estate Services, Inc. and the Kansas Unified Development, LLC entered into a Multi-Sport Stadium Venture Agreement (“Stadium Agreement”) for the construction of an 18,000-seat multi-sport stadium complex that is the permanent home to the Sporting Kansas City, a Major League Soccer team. Under the Stadium Agreement, the Unified Government has issued STAR Bonds that result in \$147,000,000 of net funding for the Stadium Project. The STAR Bonds are payable from State and local sales and transient guest taxes. The stadium, named Sporting Park, held its first soccer match in June 2011 and completed its second successful season in 2012 with near capacity attendance.

The Unified Government and the Cerner Corporation entered into Land Transfer and Specific Venture Agreement in which Cerner Corporation is committed to construct approximately 600,000 square feet of Class A office buildings to accommodate 4,000 Cerner employees “Cerner’s “Continuous Campus”). The Continuous Campus is located adjacent to the Unified Government’s Tourism District. Cerner Corporation is an international supplier of healthcare technology. Construction of the first office building began in January 2012 and is nearing completion with an expected opening mid-year 2013. Construction on the second building began in the fall of 2012. The entire office complex is projected to be completed in late 2014 at a cost in excess of \$400 million.

39th & Rainbow Commercial Development

This project is a \$39 million mixed-use development located adjacent to Kansas University Medical Center. The first phase includes approximately 10,000 square feet of first-floor retail space and, on the second through fourth floors, an 83-room Holiday Inn Express & Suites which opened in September 2012. Five Guys Burger and Fries also opened Sept. 2012 and a 7-11 Convenience store opened March 2013 in phase one of this redevelopment project. The second phase is under construction and will have a health care tenant focus. Kansas University Hospital announced it will operate an inpatient acute rehabilitation center that will take up 27,800 square feet. Also, Kansas City Transitional Care Center, a post-acute nursing rehabilitation facility, will lease an additional 55,600 square feet. In total, the second phase of this redevelopment project will be 100,000 square feet in a four-story building. This area is attractive for new retail development due to the area’s dense resident population and the proximity to the KU Medical Center and Hospital. This area draws more than 10,000 persons daily.

Downtown

In July 2012, ground was broken on a transit center in downtown Kansas City, Kansas at the corner of 7th St. and Minnesota Ave. The \$2.3 million MetroCenter is expected to be completed by June 2013. This project is part of a \$13 million effort to build KCK Connex, which will link downtown Kansas City, Kansas and Village West.

Midtown

Two redevelopment projects merit special note. First, the Prescott Plaza is a \$20 million development located at the site of an old abandoned truck stop at I-70 and 18th Street. This redevelopment is anchored by a 42,000 square-foot grocery store which opened in November 2008. In addition to the grocery store, an additional sixteen retail and/or service oriented businesses have opened. A Speedy’s gasoline/convenience center opened in September 2012. Two restaurants are planned to open soon (Subway and Peri Peri Chicken). This public/private development is bringing new retail services to the urban core.

In 2012, the Unified Government began demolition of the Indian Springs mall. Future plans for the location include a transit center and several government offices. In addition, development proposals are under review to compliment the transit center and government offices currently under construction.

Industrial Park Developments

The Unified Government currently has four major industrial parks: Fairfax Industrial Business District, Central Industrial Business District, Armourdale Industrial Business District, and the Santa Fe Industrial Business Park. These four industrial areas represent 80% of the industrial development in the Unified Government. The Unified Government has several other industrial park developments in the Hart Business Park located at 55th and K-32, Woodend Industrial Park along the I-435 Corridor, the Muncie Industrial Park located at 62nd and K-32 and the I-635 Industrial Park at I-635 and Metropolitan. Edwardsville has also developed an industrial/warehouse area near I-435 and the Kansas River.

General Motors continues to have a significant presence in the Fairfax Industrial District with reinvestment in excess of \$200 million. Currently the Chevy Malibu and Buick LaCrosse are produced at this facility. A third shift was added in January 2010, creating approximately 900 jobs. In 2011, GM issued building permits valued at \$5.4 million for two building additions. It was announced in August 2012 that GM plans to build a \$120 million, 400,000 square-foot paint shop expansion. GM has applied for industrial revenue bonds to pay for the expansion of the paint shop and related site improvements. GM has indicated that this new development is for vehicle construction activities to support future production at the site.

The Revitalizing Auto Communities Environmental Response (RACER) Trust was established nationally in 2011 to remediate and reposition General Motors (GM) sites left behind by the company during its 2009 bankruptcy. In March 2013 the Unified Government approved an agreement with NorthPoint Development for development of a former 80-acre GM site which is expected to create \$40 million in capital and 2,000 jobs. The site is projected to be fully built over a 6 to 10 year period.

Select businesses in the Armourdale Industrial Business District have seen several recent developments. In 2009, mattress-maker Sealy Corporation signed a 10-year lease for a new 123,000 square-foot plant in Armourdale and will move its operations from the Fairfax Industrial Business District. In 2011 PQ was issued two building permits valued at \$11 million for new chemical manufacturing facilities. In 2013 Zeolyst International, manufacturer of zeolite powders used in a variety of industrial applications, will move forward with a \$83 million capital investment to its Kansas City, Kansas location, including a 43,000 square-foot addition. The company also plans to add 33 positions. Epiq Systems, a technological legal service provider, announced in October 2012 that they plan to increase their headquarters by 20,000 square feet at a cost of \$7.5 million. This expansion will add approximately 80 jobs.

Office and Service

The downtown area, with approximately 5,000 employees, has the largest concentration of office workers. In addition to the downtown area, there are active office parks in Cambridge Terrace, Meadowlark Lane, Woodlands West and assorted office and medical facilities in different locations throughout the community.

The Unified Government owns the 111-acre Public Levee facility in the Fairfax Industrial Business District. At the close of 2011, the Public Levee has 569,000 square feet of warehouse and office space. 72% of the warehouse and 48% of the office space is under lease, with warehouse space accounting for over 91% of total Levee space. In addition, a large grain elevator facility, with 253,000 square feet and a five story cold storage facility containing 164,000 square feet, remains leased.

Industrial Realty Group (IRG) has received government approval to assume management, effective in January 2013, for the management and subsequent redevelopment of the Unified Government's Public Levee operations located in the Fairfax Industrial area. IRG, based in Downey, CA has one of the country's largest industrial portfolio's, with over 50 million square feet of property. IRG's plan for the Levee site is two-fold: 1)

immediate management of the site and operations, and 2) redevelopment of the site including phased demo of existing structures and the construction of three new industrial facilities totaling approximately 300,000 plus square feet. A TIF District is expected to be created and subsequent use of IRB's will most likely be utilized. IRG has plans to redevelop existing buildings over time. Also as part of the redevelopment of this area, IRG will build a 100,000 square foot spec industrial building, along with access improvements through the industrial park to provide public access to the levee and the park.

Several offices and service buildings have been constructed directly north of Village West, near 110th and Parallel Parkway. The cost of development associated with these office facilities is in excess of \$5 million. The firms located in this area include: Heartland Primary Care, a medical group; Security National Bank; Mid America Bank and Trust; and a new \$2.5 million Discover Vision Center office building opened in this area in 2009 and provides essential vision related services to Wyandotte County residents. In 2012, a building permit was issued for new dialysis medical building to be constructed in this area.

Retail

In addition to the Village West development, several other developments have seen growth in recent years.

Wyandotte Plaza at 78th and State Ave. is undergoing redevelopment which began in the fall of 2012. The \$28 million investment will expand the existing shopping center from 182,000 square feet to approximately 220,000 square feet. The anchor for Wyandotte Plaza will be a newly constructed 75,000 square foot Price Chopper grocery store. Improvements will also be made to façade, lighting and traffic flow for the entire shopping center.

Other new retail stores which opened in 2011 in various parts of the city include: a new CVS Pharmacy (\$1.5 million) located in the southwest corner of the city; a new Dollar General store located at 60th and Leavenworth Road; and a new Casey's General Store (\$1.0 million) located at 130th and State Ave. In 2012, three new Dollar General stores opened, two located in the south-central and one northeast areas of the City. A fourth Dollar General opened in 2013 in the mid-town area.

In late 2006, the Unified Government Commission approved a \$190 million project called Plaza at the Speedway, a tax increment project located on the north side of Parallel Parkway across from the Legends shopping area. This development will provide 775,000 square feet of retail shopping and is expected to create over 2,100 jobs. The shopping area is anchored by a Wal-mart Supercenter that opened in October 2009 and a Sam's Club which opened in October 2012. A Taco Bell opened in April 2010 and an Olive Garden restaurant opened in May 2010. Other openings are as follows: Kohl's retail store (September 2010); Chick-Fil-A restaurant (October 2010); Red Lobster (March 2011); Jack in the Box (November 2011) and Logan's Steakhouse (May 2012). A new retail building was recently completed at a cost of \$1.6 million. Recently opened in this building are a Mattress Firm, Select Comfort and a Great Clips. Finally, adjacent to Interstate I-435 is the development of an auto mall. A Toyota dealership opened in June 2011 and a Honda dealership opened in April 2013. There are on-going discussions for a third dealership as part of this development.

Recreation

In 2010, the Wyandotte County Fair Board spent nearly \$1 million on a new site for the Wyandotte County Fair to be located in the vicinity of 137th and Polfer road in the northwest portion of Wyandotte County. In 2011, the inaugural fair was held at this new location. The 2011 amended budget approved the re-opening of the JFK Community Center. This project included major remodeling and the addition of staff to provide program support. This center is located in an older area of the city and provides important social and recreation opportunities for near-by residents. The center re-opened in 2012.

Internal Accounting Controls

Financial Control: The Unified Government of Wyandotte County/Kansas City, Kansas, has adopted a comprehensive system of internal controls designed to reasonably safeguard Unified Government assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies within the Unified Government. Basic management responsibilities emphasize that the accounting system must have a strong relationship with all other management control systems. The Unified Government's internal accounting controls reasonably safeguard assets and provide reasonable assurance of proper recording of all financial transactions.

As part of the continuing effort to improve fiscal stewardship and financial accountability, the Unified Government utilizes a fully computerized financial accounting management information system, the Cayenta Financials System (CFS). The system is an integrated, online municipal government financial management system, comprised of many subsystems. Modifications and enhancements are continually being made to this system in order to keep abreast of rapidly changing accounting techniques and principles. CFS is based on the single transaction concept of processing, in which all relevant files and reports are updated from a single input of information. Look-up tables are used to tailor all accounting and classification treatments and are changed by file maintenance initiated by the Financial System Administrator.

Budgetary Control: The Unified Government's budgeting system is a program based and line item budgeting system process. Departments prepare program operating and capital budgets at a detailed object expense level.

All Unified Government Tax Levy Funds are required to balance according to Kansas Stated Statute (K.S.A 79-2967).

The legal level of control is established at the fund level by State statutes which also permit the transfer of budgeted amounts from one object code or purpose to another within the same fund. However funds cannot be transferred between departments without obtaining approval from administration.

The Unified Government further controls spending by requiring that no expenditures be committed that would exceed the amount appropriated for the spending category (eg Personnel Services Contractual Services) without the department first obtaining approval.

As allowed by State Statute the governing body can increase the fund level expenditures by amending the budget. An Amendment may only be made for previously unbudgeted increases in the revenue other than ad valorem taxes. To do this a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after the publication the hearing may be held and the governing body may amend the budget at that time.

The following types of budget transfers require department director approval and additional approval by the County Administrator's Office:

- An appropriation of contingency funds.
- An appropriation of reserve funds.
- Transfers that move funds between operating and capital budgets.
- Transfers within a fund that are equal to or greater than \$10,000.

The following actions require budget director's approval before execution:

- Pre Bid Contracts
- Capital Project Contracts
- Capital Equipment Purchases
- Changing status of an unfunded personnel position to funded or creation of a new personnel position.

The following budgetary controls have been implemented and will be adhered to by all departments and divisions:

- Transfers from the salary accounts require department director, chief financial officer, and County Administrator's Office approvals.
- Funds may be transferred between other accounts with department director approval.
- Funds may be transferred from one division to another division with both divisions being in the same fund with department director and the transferring division manager approvals.

The Unified Government's annual budget is prepared in conformance with and certified as required by Kansas State Statutes. The Unified Government Administrator and the Unified Board of Commissioners evaluate budget proposals of the various Unified Government departments to determine funding for operating, capital and public service programs. After giving due consideration to the input received from citizens, the Unified Board of Commissioners adopts the budget. Thus, the adopted budget is a document which places before the people of the Unified Government a clear and precise picture of the cost of public services which are to be provided. The budget process is automated and appropriately controlled through an online accounting system to assure effective fiscal management and accountability.

Property Tax Levies and Collections

In accordance with applicable state statutes, property taxes levied during the current year are revenues to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and are levied and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half of the full amounts of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are a lien on the property and are recorded as taxes receivable, net of anticipated delinquencies, with a corresponding amount recorded as unearned revenue. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the year and the amounts thereof are not material in relationship to the financial statements taken as a whole.

The November 2012 certified assessed valuation for Wyandotte County was \$1.1 billion. Real property value accounted for 85% of this overall figure. The overall total was 1.5% above the prior year total. Residential and commercial property valuations began to stabilize from 2011 to 2012; and in addition several large commercial properties including Hollywood Casino, approximately 90% valued in 2012, and Sporting KC contributed to the increase. Personal property valuation is still affected by the 2006 legislation that exempts new machinery and equipment purchases from the tax roll. Personal property assessed value declined by \$3 million or 3% from 2011 to 2012.

The Unified Government 2012 tax levy for the 2013 budget is \$86.4 million. In 2011, the Unified Government levied \$84.9 million in property taxes for budget year 2012. The combined City and County mill rate increased from 74.711 mills in 2010 to 81.666 mills in 2011 for the 2012 budget year. Current property tax revenue collections in 2012 were \$78.5 million. In comparison, in 2011 the current tax collections were \$72.2 million, derived from a 2010 tax levy of \$79.3 million. The collection rate for current property taxes increased from 91% in 2011 to 92.5% in 2012. Treasury and the Department of Revenue collections implemented several programs in 2011 that have accelerated delinquent tax collections. Further, a 2012 budget initiative now requires payment of the most recent delinquent tax year. This change has increased delinquent payments for all outstanding years, in order for property owners to avoid a tax sale.

Financial Policies Impacting Budget Statements

Various actions occurred in 2012, impacting the financials.

Personnel costs continue to be the largest cost expense of the government. In 2012, a cost-of-living wage freeze remained in place, with the exception of the Police union. Administration eased the restriction on the hiring of vacant positions, if the position was authorized in the Budget. For the government's general fund, personnel costs increased by 3.5%, resulting from the increased hiring and the Police salary contract adjustment.

The mill rate for the government was increased by 7 mills or 9.3% for the 2012 budget year. This rate adjustment resulted in a \$6.3 million gain in property tax revenue. This tax adjustment was implemented to offset a 16% loss in assessed valuation that had occurred from 2008-2011.

In addition to the property tax adjustment, the government received \$412,000 in additional revenues from various adjustments to the occupational tax. The opening of the Hollywood Casino increase casino net tax revenue by \$300,000. In the prior year the casino had pre-paid \$2 million annually in accordance to the development agreement. Sales and use tax revenues trended positively in 2012. For 2012, sales tax revenues for the General Fund increased by \$1.1 million or 3.5% above the prior year.

Voters approved a 3/8th cent public safety/neighborhood infrastructure dedicated sales tax in April 2010. The 2012 budget year represented the second full year of collections. This tax generated \$6.2 million in revenue. This fund was used to supplement funding for basic core operations in these service areas. The gain in general fund balance is due in part to the additional revenues generated by this dedicated fund. A special revenue fund was established for the receipt of these tax payments and for budgeted expenditures from the fund.

The County General Fund was positively impacted by the decision to increase jail capacity by limited double-bunking of inmates. This program was fully implemented in 2012 and has reduced the need to send prisoner over-flow to other detention facilities. This action combined with other actions taken by various Departments involved with prisoner housing (Courts, Community Corrections, and the District Attorney's Office) reduced prisoner housing expenses from \$3.2 million to \$2.6 million in 2012.

One other significant cost saving initiative improved 2012 financials. The Board of Public Utilities provides electric and water services to Kansas City. The utility is an agency of the City. A decision was made to eliminate utility payments to County facilities located within the City, resulting in a cost savings of approximately \$800,000.

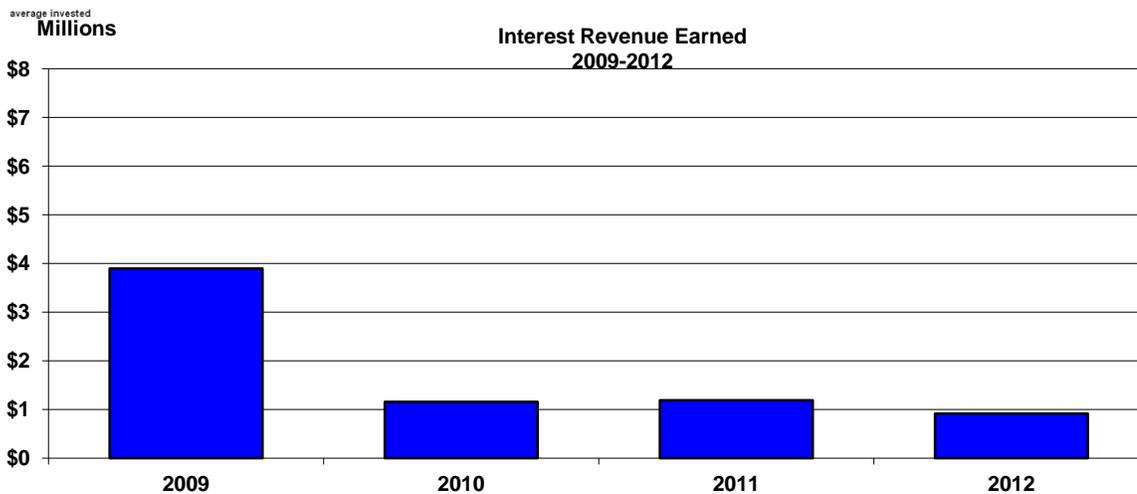
These revenue and expenditure actions and trends positively impacted fund balance in the government's General Fund.

Cash Management

All idle cash is invested during the year in certificates of deposit, US Treasury Notes, the Kansas Municipal Investment Pool, U.S. Government agencies, bank trust department municipal pools, temporary notes or no fund warrants, repurchase agreements and overnight investments in the Unified Government's primary depositories. At December 31, 2012 the carrying amount of such investments was \$193,834,451 The Unified Government earned interest income in the amount of \$909,889 during the year ended December 31, 2012.

The Unified Government pools its operating funds in order to maximize interest revenue. As provided by State law (K.S.A. 9-1402), the Unified Government's depositories pledge securities with market value at least equal to the amount of the Unified Government's funds of deposit. All active deposits at December 31, 2012 were fully collateralized in compliance with State law.

The Unified Government's portfolio at December 31, 2012, had an average weighted maturity of 531.73 days with an overall weighted average rate of interest of 0.49%. During 2012, there was an average carrying value of \$140,826,329.



Independent Audit

The basic financial statements for 2012 were examined by Allen, Gibbs, & Houlik, L.C., and their opinion has been included in this report. They have provided the Unified Government with an unmodified opinion.

Additionally, the Unified Government is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, entitled *Audits of States, Local Governments and Non-Profit Organizations*. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and questioned costs, and auditor's reports on the internal control structure and compliance with applicable laws and regulations are included in a separate report issued annually by the Unified Government.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Unified Government for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2011. This is the thirteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized report, which conforms to applicable program standards, generally accepted accounting principles, and applicable legal requirements.

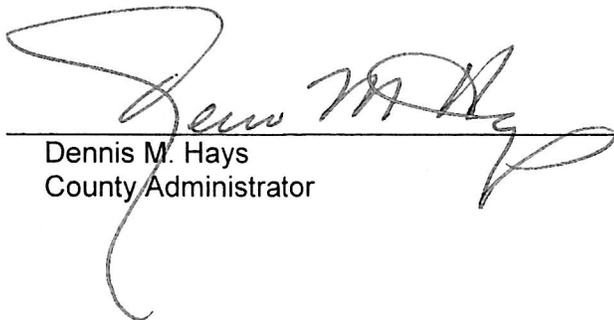
A Certificate of Achievement is valid for a period of one year only. The Unified Government believes that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting the 2012 Comprehensive Annual Financial Report to GFOA to determine its eligibility for another certificate.

Acknowledgments

Our appreciation is extended to the Unified Board of Commissioners for their continued support in maintaining the highest standards for financial reporting. Special thanks are extended to the following staff for their contributions to the preparation of this document: Richard Mikesic, Accounting Manager; Mary Barnes, Mike Kupsch and Peggy Ryan, Accounting Division; Debbie Pack, Treasury Division; Mike Grimm, Finance Division Reginald Lindsey, Budget Division; and the Legislative Auditor's Office. In addition, we would like to acknowledge the audit firm of Allen, Gibbs & Houlik, L.C., for their review and comments in the preparation of this report.



Lew Levin
Chief Financial Officer



Dennis M. Hays
County Administrator

GOVERNING BODY AND EXECUTIVE STAFF

Mark Holland, Mayor/Chief Executive Officer

Gayle Townsend
Commissioner
First District

Angela Markley
Commissioner
Sixth District

Brian McKiernan
Commissioner
Second District

Jim Walters
Commissioner
Seventh District

Ann Brandua-Murguia
Commissioner
Third District

Jane Winkler Philbrook
Commissioner
Eighth District

Tarence Maddox
Commissioner
Fourth District

Vacant
Commissioner
First At-Large

Mike Kane
Commissioner
Fifth District

Harold “Hal” Walker
Commissioner
Second At-Large

Dennis M. Hays, County Administrator

Doug Bach, Deputy County Administrator

Gordon Criswell, Assistant County Administrator

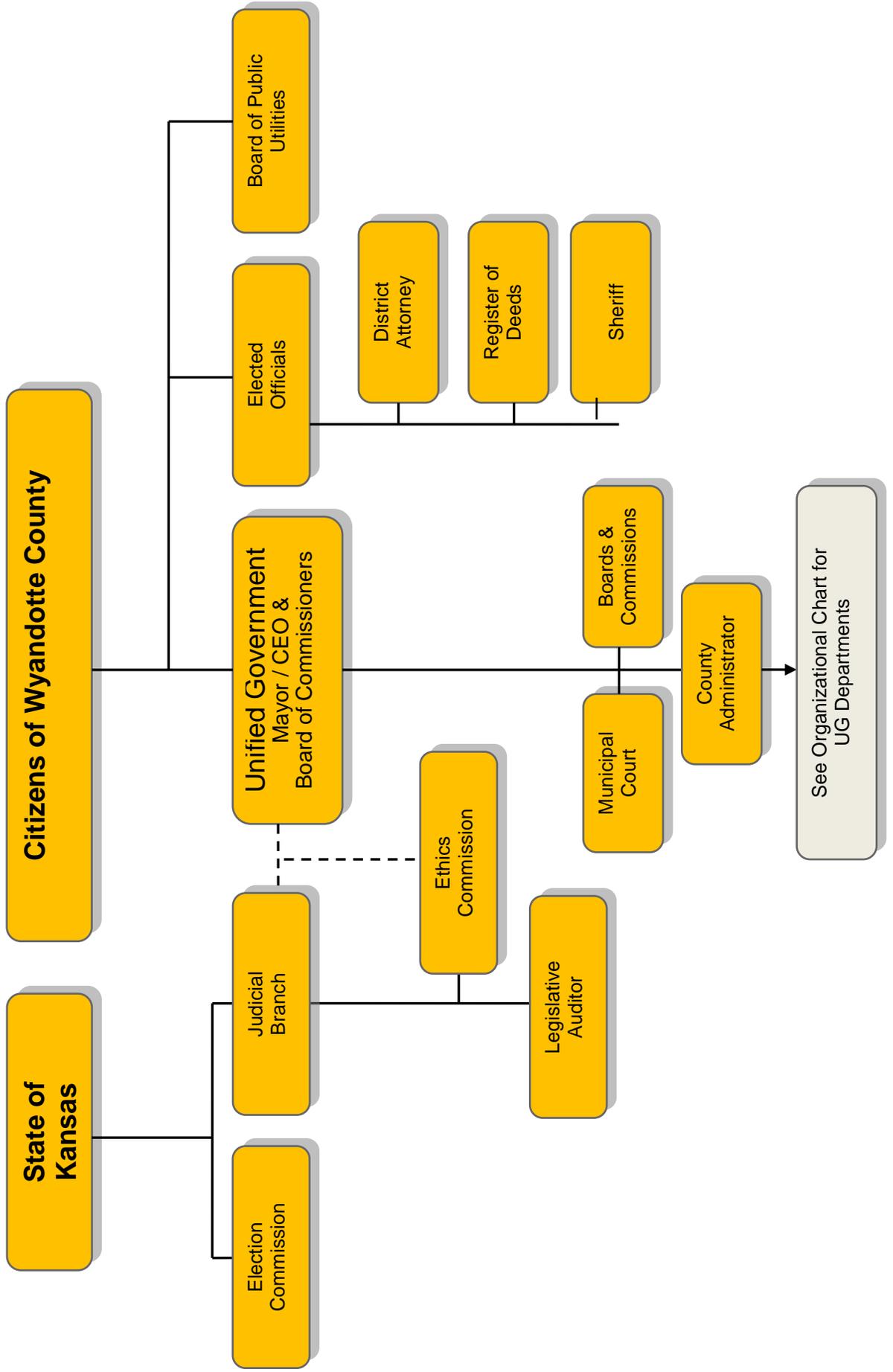
Gary Ortiz, Assistant County Administrator

Bob Roddy, Assistant County Administrator

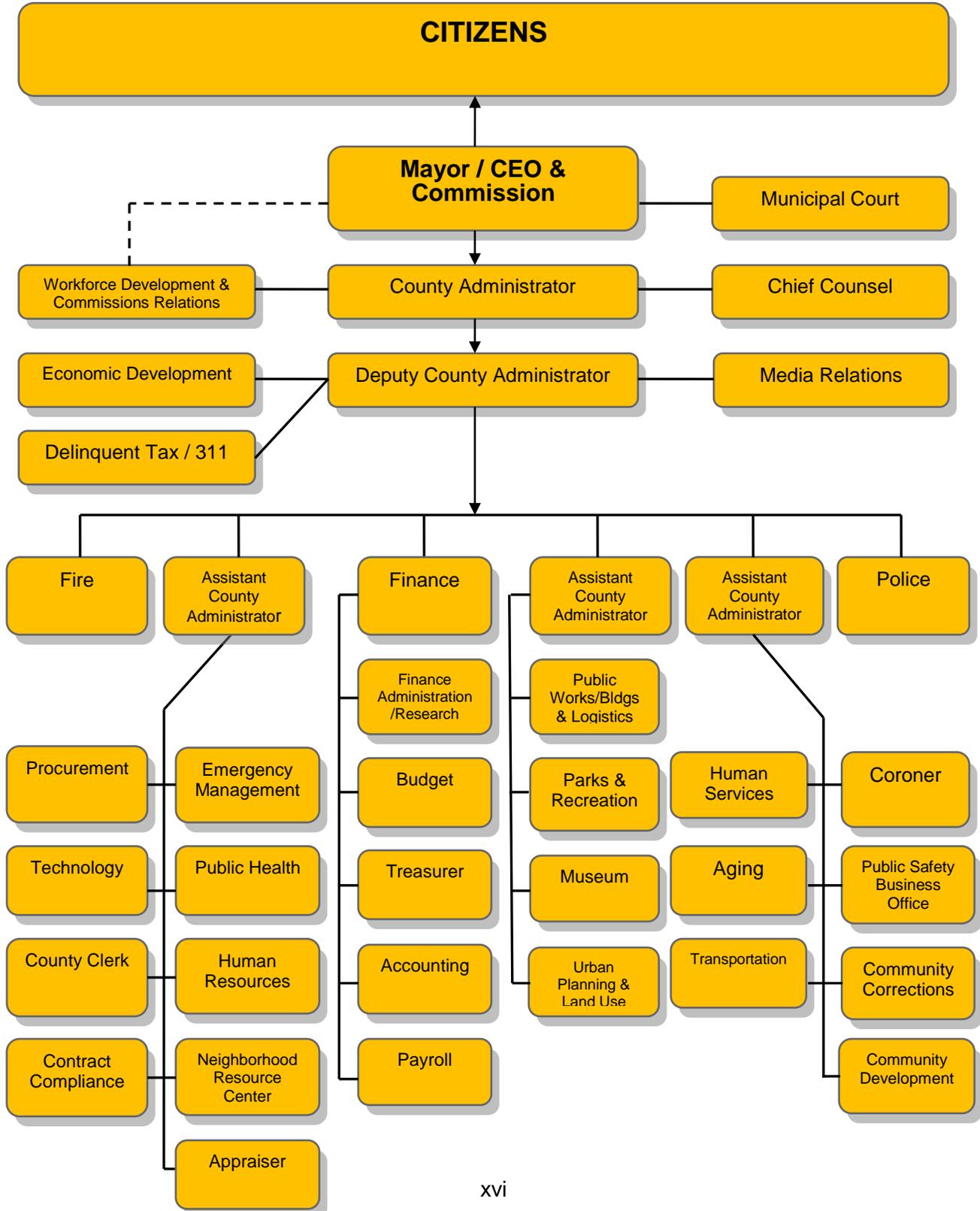
Jody Boeding, Chief Counsel

Lew Levin, Chief Financial Officer

Unified Government of Wyandotte County / Kansas City, Kansas
Organizational Chart
 Elected & Appointed Officials



Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Unified Government
of Wyandotte County/Kansas City
Kansas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Morille

President

Jeffrey R. Emer

Executive Director

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FINANCIAL SECTION

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended DECEMBER 31, 2012

FINANCIAL SECTION

The Financial Section is the Unified Government's audit report. It includes the opinion of the Independent Auditors, Management's Discussion and Analysis (MD&A), the Basic Financial Statements and Combining Statements and Schedules.

The **Basic Financial Statements** reflect all financial activity of the Unified Government combined into nine (9) schedules.

Notes to the Financial Statements are adjunctive to the Basic Financial Statements, serving to explain the numbers and to highlight required disclosures.

The **Combining Statements and Schedules** reflect greater detail of the Unified Government's financial activities. Also included are schedules showing the extent of each fund's compliance to state budget laws.

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Commissioners
Unified Government of Wyandotte County / Kansas City, Kansas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Unified Government of Wyandotte County / Kansas City, Kansas (Unified Government) as of and for the year ended December 31, 2012, and the related notes to the financial statements which collectively comprise the Unified Government's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Board of Public Utilities, which is both a major fund and 86 percent, 82 percent, and 90 percent, respectively, of the assets, net position, and revenues of the business-type activities. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Board of Public Utilities, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issues by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Unified Government as of December 31, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note III.F. to the basic financial statements, the financial statements for Government Activities and the Economic Development Fund major fund as of January 1, 2012 have been restated, due to a change in how the Unified Government is recording certain sales tax limited obligation revenue bonds. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed on the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Unified Government's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the introductory and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2013 on our consideration of the Unified Government's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Unified Government's internal control over financial reporting and compliance.

Allen, Gibbs & Houlik, L.C.
CERTIFIED PUBLIC ACCOUNTANTS

June 20, 2013
Wichita, Kansas

Management's Discussion and Analysis

This discussion and analysis are intended to serve as an introduction to the Unified Government's basic financial statements. The Unified Government's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Overview of the Financial Statements

Government-wide financial statements The government-wide financial statements are designed to provide readers with a broad overview of the Unified Government's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Unified Government's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Unified Government is improving or deteriorating.

The statement of activities presents information showing how the government's assets changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Unified Government that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are included to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Unified Government include general government, health and welfare, public safety, public works, parks and recreation, and planning and development services. The business-type activities of the Unified Government include electric and water systems, sewer system, EMS, public levee, storm water and Sunflower Hills Golf Course.

The government-wide financial statements can be found as listed in the Table of Contents.

Fund financial statements A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Unified Government, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Unified Government can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Unified Government maintains 29 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, economic development and capital projects funds, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in this report.

The Unified Government adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as listed in the Table of Contents.

Proprietary funds The Unified Government maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal services funds are an accounting device used to accumulate and allocate costs internally among the Unified Government's various functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer system and Board of Public Utilities, which are considered major funds of the Unified Government. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in this report.

The basic proprietary fund financial statements can be found as listed in the Table of Contents.

Fiduciary funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Unified Government's own programs.

The basic fiduciary fund financial statements can be found as listed in the Table of Contents.

Notes to the financial statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the Table of Contents.

Other information In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the Unified Government's progress in funding its obligation to provide pension and other post employment benefits to its employees. Required supplementary information can be found as listed in the Table of Contents.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found as listed in the Table of Contents.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. The Unified Government's assets exceeded liabilities by \$651,307,756 at the close of the most recent fiscal year. By far, the largest portion of the Unified Government's net position (101%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Unified Government uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Unified Government's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Unified Government of Wyandotte County/Kansas City, Kansas
Statement of Net Position
December 31, 2012

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 235,954,597	\$ 197,871,053	\$ 201,046,579	\$ 236,414,670	\$ 437,001,176	\$ 434,285,723
Capital assets	555,958,113	566,960,555	959,487,709	838,781,401	1,515,445,822	1,405,741,956
Total assets	791,912,710	764,831,608	1,160,534,288	1,075,196,071	1,952,446,998	1,840,027,679
Long-term liabilities outstanding	458,369,098	432,523,796	585,927,942	505,274,474	1,044,297,040	937,798,270
Other liabilities	183,519,469	176,264,596	73,322,733	72,704,430	256,842,202	248,969,026
Total liabilities	641,888,567	608,788,392	659,250,675	577,978,904	1,301,139,242	1,186,767,296
Net position						
Net investment in capital assets	229,277,747	265,081,754	428,738,821	419,256,036	658,016,568	684,337,790
Restricted	52,449,466	15,014,405	69,552,333	100,186,670	122,001,799	115,201,075
Unrestricted	(131,703,070)	(124,052,943)	2,992,459	(22,225,539)	(128,710,611)	(146,278,482)
Total net position	\$ 150,024,143	\$ 156,043,216	\$ 501,283,613	\$ 497,217,167	\$ 651,307,756	\$ 653,260,383

An additional portion of the Unified Government's net position (\$122,001,799) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of (\$128,710,611).

Governmental Activities Total revenues of governmental activities were \$15.9 million above prior-year revenue levels. Property tax revenues increased by \$5.7 million as a result of a mill levy increase effective during the 2012 budget year. Other tax revenue increased by \$6.3 million due to: increased sales tax revenue of \$3.9 million, new gaming revenues of \$2.3 million from Hollywood Casino which opened early 2012, and a \$0.1 million increase in franchise and other taxes. Operating and Capital grants and contributions increase a collective \$2.2 million due to an increase in special assessments and increased grant funding from federal and other agencies. All other revenue categories also saw varying levels of increase totaling \$1.7 million.

Total expenses of governmental activities were \$22.3 million above prior-year. Most categories experienced significant changes. 1) Public Works increased by \$19.6 million, which was due to a large increase in annual work projects not qualifying as capital in nature. 2) Interest on long-term debt increase \$4.4 million due in large part to the change in how the STAR bonds are being recorded effective 2012. (See Note III.F. for additional details.) 3) Public Safety increased \$3.3 million due to staffing and salary increases. 4) General government increased by \$1.4 due to an increase in payroll costs. 4) Planning and Development decreased by \$6.0 million, which was due to a combination of factors. There was a reduction of \$16 million in costs related to the 2011 multi-sport stadium costs.

There was also an increase of \$10 million due to change in how the STAR bonds are recorded. (See Note III.F. for additional details.)

Business-type activities Total revenues of business-type activities were \$20.7 million more than the prior year. This was primarily due to higher revenues across the board in both electric and water due to rate increases: Electric rates rose 7% and Water rates rose 7.5%, both in January of 2012. Operating expenses increased \$13.0 million. This increase came primarily from an increase in the production, fuel and purchased power costs of \$12.6 million in the operations of the Board of Public Utilities.

Unified Government of Wyandotte County/Kansas City, Kansas
Changes in Net Position
Year Ended December 31, 2012

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 26,672,906	\$ 25,510,713	\$ 294,496,024	\$ 273,256,901	\$ 321,168,930	\$ 298,767,614
Operating grants and contributions	34,270,855	32,945,825	-	-	34,270,855	32,945,825
Capital grants and contributions	1,282,938	426,781	322,961	330,749	1,605,899	757,530
General revenues:						
Property taxes	95,535,842	89,841,305	-	-	95,535,842	89,841,305
Other taxes	104,412,852	98,143,288	4,218,676	4,120,807	108,631,528	102,264,095
Unrestricted investment earnings	3,720,098	3,498,400	303,875	1,003,486	4,023,973	4,501,886
Miscellaneous	5,518,890	5,119,817	849,052	763,859	6,367,942	5,883,676
Total revenues	271,414,381	255,486,129	300,190,588	279,475,802	571,604,969	534,961,931
Expenses:						
General government	26,520,320	25,079,952	-	-	26,520,320	25,079,952
Health and welfare	14,062,319	14,320,574	-	-	14,062,319	14,320,574
Public safety	130,719,941	127,440,244	-	-	130,719,941	127,440,244
Public works	77,746,268	58,107,781	-	-	77,746,268	58,107,781
Parks and recreation	5,263,063	5,495,405	-	-	5,263,063	5,495,405
Planning and development services	26,627,128	32,662,526	-	-	26,627,128	32,662,526
Interest on long-term debt	21,701,853	17,257,843	-	-	21,701,853	17,257,843
Electric and water systems	-	-	256,465,888	245,026,662	256,465,888	245,026,662
Public levee	-	-	1,162,015	1,163,555	1,162,015	1,163,555
Storm Water	-	-	1,512,216	1,527,906	1,512,216	1,527,906
EMS	-	-	7,392,927	7,024,655	7,392,927	7,024,655
Sewer system	-	-	22,012,623	20,809,633	22,012,623	20,809,633
Sunflower Hills golf course	-	-	825,125	800,540	825,125	800,540
Total expenses	302,640,892	280,364,325	289,370,794	276,352,951	592,011,686	556,717,276
Net position before transfers	(31,226,511)	(24,878,196)	10,819,794	3,122,851	(20,406,717)	(21,755,345)
Special Item	-	5,683,302	-	-	-	5,683,302
Transfers	6,753,348	3,131,301	(6,753,348)	(3,131,301)	-	-
Changes in net position	(24,473,163)	(16,063,593)	4,066,446	(8,450)	(20,406,717)	(16,072,043)
Net Position - Beginning of year	156,043,216	170,017,225	497,217,167	497,225,617	653,260,383	667,242,842
Prior period adjustment	18,454,090	2,089,584	-	-	18,454,090	2,089,584
Net position - End of year	\$ 150,024,143	\$ 156,043,216	\$ 501,283,613	\$ 497,217,167	\$ 651,307,756	\$ 653,260,383

Financial Analysis of the Government's Funds

The Unified Government uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds The focus of the Unified Government's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Unified Government's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Unified Government's governmental funds reported combined ending fund balance of \$29,248,222, a decrease of \$556,935 in comparison with the prior year. The fund balance includes \$1,152,141 classified as unassigned. The general fund had a balance of \$16,527,952, with the capital projects and other governmental funds both having negative unassigned balances, \$13,123,928 and \$2,251,883, respectively. The majority of the fund balance (96.1%) is subject to restrictions in how the dollars may be utilized as dictated by the Unified Government fund balance policies.

The general fund is the chief operating fund of the Unified Government. At the end of the current fiscal year, the total fund balance was \$19,469,242, an increase of \$5,157,761 from the prior year. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 9.8 percent of total general fund expenditures, while total fund balance represents 11.5 percent of that same amount. Key factors related to the trends of the general fund are as follows.

The combined general fund mill levy rate increased from 54.206 mills in 2010 (budget year 2011) to 59.909 mills in 2011 (budget year 2012). This change represented an increase of 10.5%.

The mill rate increase offset in part the property valuation decline of 15%, which occurred from 2008-2011.

General Fund current year property taxes increased \$6.3 million in 2012, attributed to the mill rate increase.

The payment-in-lieu-of-tax rate or PILOT for the publically-owned Board of Public Utilities was reduced from 11.9% to 10.9% in 2012. However due to utility rate increases (7%-electric and 8% water) PILOT revenue remained constant.

The passage of a 3/8th cent Kansas City, Kansas dedicated sales tax for public safety and neighborhood infrastructure also impacted revenue. This tax began July 1st of 2010 and 2012 was the second year for 12 months of revenue distribution. In 2012, revenue receipts for this dedicated tax were \$6.2 million compared to the prior-year figure of \$6.1 million. The dedicated sales tax was primarily used in 2012 to offset General Fund expenses.

General Fund sales tax revenues increased by \$800,000 or 2.4% in 2012. Another revenue category impacting revenues was attributed to the February 2012 opening of the Hollywood Casino. The local tax on net gaming revenues generated over \$2.3 million in 2012.

Several cost-control measures remained in place in 2012, including: wage freezes, among all employee groups, with the exception of the Police Union, and constrained capital spending. General Fund personnel costs did increase by 3.6% in 2012, due in part to the Police wage increase and a higher contribution rate to the State retirement system, KPERs.

Other General Fund cost reductions occurred in 2012. The cost associated with the sending of prisoners to other facilities was reduced through a double-bunking initiative in the County jail (\$600,000

savings). The decision to eliminate utility payments on County facilities to the BPU reduced utility expenses by \$800,000.

The debt service economic development fund is presented as a major fund for the first time in 2012. It consists of restricted cash for use in developments and debt service of development related bonds. The fund balance at the end of 2012 was \$8,903,117.

The capital projects fund showed a \$6.9 million decrease in cash and temporary investments as compared to 2011. Total assets decreased by \$2.6 million. Capital outlay expenditures decreased by \$17.0 million. Debt service expenditures remained constant, decreasing by only \$16,000.

Proprietary funds The net position for the proprietary funds increased by \$4.0 million. The major contributing factor to this change was the BPU which had an increase in net position of \$5.8 million. Additionally, the Sewer Fund had a decrease of \$2.8 million while the non-major business type funds increased by \$1.0 million. For an in-depth discussion of the operating results and financial position of the Board of Public Utilities, see the separate report issued by the Board, which can be obtained by contacting them at:

Board of Public Utilities
540 Minnesota Avenue
Kansas City, Kansas 66101

Capital Asset and Debt Administration

Capital assets The five-year Capital Maintenance and Improvement Plan (CMIP) is a plan for capital investment in Wyandotte County’s streets, bridges, recreation facilities, parks, sewer system, traffic signalization, buildings, and grounds to improve service delivery and quality of life to its citizens.

The following is a summary of capital assets for the government as of December 31, 2012 net of accumulated depreciation:

Unified Government of Wyandotte County/Kansas City, Kansas Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 8,658,160	\$ 8,658,160	\$ 1,981,135	\$ 1,981,135	\$ 10,639,295	\$ 10,639,295
Buildings	125,534,840	125,534,840	1,478,250,596	1,389,575,772	1,603,785,436	1,515,110,612
Improvements other than buildings	39,355,026	28,667,093	3,691,240	3,691,240	43,046,266	32,358,333
Machinery and equipment	62,099,383	61,063,490	41,726,724	41,403,803	103,826,107	102,467,293
Infrastructure	604,833,197	571,010,534	160,794,436	149,068,750	765,627,633	720,079,284
Construction in progress	29,135,845	64,185,654	110,902,972	69,198,153	140,038,817	133,383,807
Accumulated depreciation	(313,658,338)	(292,159,216)	(837,859,394)	(816,137,452)	(1,151,517,732)	(1,108,296,668)
Total	<u>\$ 555,958,113</u>	<u>\$ 566,960,555</u>	<u>\$ 959,487,709</u>	<u>\$ 838,781,401</u>	<u>\$ 1,515,445,822</u>	<u>\$ 1,405,741,956</u>

Additional information on the Unified Government’s capital assets can be found in Note III.B.

Long-term debt The five-year Capital Maintenance Improvement Plan outlines capital projects to be financed with long-term debt. The outstanding debt for 2012 includes General Obligation debt of \$232,608,783, Tax Increment Financed (TIF) debt of \$33,626,217, and Revolving Loan Debt of \$28,807,503. The 2012 budget includes \$27.7 million for the payment of long-term debt of the Unified Government. The Debt Service Fund debt payments total \$23.0 million and Sewer System debt payments total \$4.4 million. The monies for the debt budget are funded primarily from the individual City and County Debt Service Funds. User fee income is the primary source of revenue in the Sewer System Fund.

Unified Government of Wyandotte County/Kansas City, Kansas
Outstanding Debt

	Governmental		Business-type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
General Obligation Bonds	\$ 185,842,013	\$ 187,645,750	\$ 46,766,770	\$ 40,859,282	\$ 232,608,783	\$ 228,505,032
Tax Increment Financed GO Bonds	33,626,217	35,069,968	-	-	33,626,217	35,069,968
Board of Public Utility revenue bonds	-	-	479,375,000	421,100,000	479,375,000	421,100,000
Revolving loans	-	-	28,807,503	31,087,445	28,807,503	31,087,445
Accreted interest on bonds	13,688,664	5,986,343	-	-	13,688,664	5,986,343
Capital lease	7,808,657	10,421,691	2,175,132	1,938,308	9,983,789	12,359,999
Section 108 loan	2,715,000	3,025,000	-	-	2,715,000	3,025,000
Special obligation bonds	22,025,000	7,725,000	-	-	22,025,000	7,725,000
Sales tax obligation bonds *	77,734,667	72,091,680	-	-	77,734,667	72,091,680
Transportation district bonds	18,462,000	19,353,000	-	-	18,462,000	19,353,000
Total	\$ 361,902,218	\$ 341,318,432	\$ 557,124,405	\$ 494,985,035	\$ 919,026,623	\$ 836,303,467

*See note III.F.

Kansas State Statutes limit the amount of general obligation bonds a governmental entity may issue to 30 percent of the equalized assessed valuation. The limitation for debt, as of 12/31/12, for the Unified Government is \$362,085,383 with a legal debt margin of \$137,807,479.

As of 12/31/12 the Unified Government had a rating of Aa3, negative outlook, from Moody's Investor Service and AA from Standard and Poor's on all debt assumed from both the former City of Kansas City, Kansas and Wyandotte County. In February of 2013, Moody's retained the Aa3 rating, with a negative outlook, Moody's indicated the outlook would be reviewed, after completion of the 2012 audit. Standard and Poor's maintained the AA, stable rating for the Unified Government in February of 2013.

Additional information on the Unified Government's long-term debt can be found in note III.F.

General Fund Budgetary Highlights

The General Fund is the largest fund of the Unified Government, and it accounted for 80% percent of all taxes collected, and 72% of all property tax revenues received. The General Fund's major revenue sources in 2012 were property taxes (32%), sales taxes (19%) and franchise taxes (20%). Actual revenue collections, including other financing sources, for the general fund totaled \$178.8 million, compared to the 2012 budgeted figure of \$175.6 million.

The General Fund's original budgeted expenses were \$172,471,762. The final amended budget was \$175,645,984. However, actual expenditures of \$173,373,473 were 98.7 percent of budget. Significant variances between the amended budget and actual expenses were due to unexpended reserves, increased personnel costs, decreases in contractual services and delays in completing capital projects.

Expenditures	Original Budget	Amended Budget	Increase/Decrease	Actual	Difference
General government	\$ 18,757,808	\$ 19,726,479	\$ 968,671	\$ 21,627,809	\$ (1,901,330)
Public Works	22,439,276	23,856,885	\$ 1,417,609	23,096,678	760,207
Public Safety	106,616,379	106,456,565	\$ (159,814)	105,291,407	1,165,158
Judicial	8,553,977	8,929,531	\$ 375,554	8,093,764	835,767
Planning and development	10,462,336	10,982,618	\$ 520,282	10,422,301	560,317
Parks and recreation	5,641,986	5,693,906	\$ 51,920	4,841,514	852,392
Total Expenditures	\$ 172,471,762	\$ 175,645,984	\$ 3,174,222	\$ 173,373,473	\$ 2,272,511

Additional Information

Additional Operating Data regarding the Unified Government may be found in the Official Statement date January 17, 2013 printed in connection with the Unified Government's General Obligation Bonds, Series 2013-A. The official statement can be found on the Municipal Securities Rulemaking Board's EMMA website, www.emma.msrb.org and the Unified Government will provide a copy of such official statement to any person upon request.

Requests for Information

This financial report is designed to provide a general overview of the Unified Government's finances for those with interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Unified Government of Wyandotte County/Kansas City, Kansas, 701 North 7th. Street, Kansas City, Kansas 66101.

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UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

STATEMENT OF NET POSITION

December 31, 2012

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and temporary investments	\$ 66,104,398	\$ 32,020,720	\$ 98,125,118
Restricted cash and investments	20,008,400	25,528,652	45,537,052
Receivables (net of uncollectible amounts)			
Taxes	92,387,253	770,030	93,157,283
Accounts	4,408,475	41,543,653	45,952,128
Notes	11,317,126	-	11,317,126
Intergovernmental	32,150,974	-	32,150,974
Interest	964,291	284,637	1,248,928
Due from other governments	543,303	-	543,303
Special assessments	1,953,011	243,998	2,197,009
Internal balances	(568,760)	568,760	-
Inventories	-	36,650,293	36,650,293
Prepayments and other current assets	-	3,713,818	3,713,818
Other assets	6,686,126	9,375,459	16,061,585
Restricted cash and investments	-	50,346,559	50,346,559
Capital assets:			
Land and construction in progress	37,794,005	112,884,107	150,678,112
Other capital assets, net of depreciation	518,164,108	846,603,602	1,364,767,710
Total Assets	791,912,710	1,160,534,288	1,952,446,998
LIABILITIES			
Accounts and contracts payable	6,919,128	28,507,850	35,426,978
Accrued wages and expense	6,026,034	7,106,717	13,132,751
Accrued interest payable	4,449,466	7,812,819	12,262,285
Due to others	2,154,765	3,667,629	5,822,394
Due to other governments	24,712	-	24,712
Temporary notes payable	54,330,500	-	54,330,500
Regulatory and other liabilities	-	2,990,875	2,990,875
Unearned revenue	82,064,650	20,000	82,084,650
Long-term liabilities:			
Due within one year	27,550,214	23,216,843	50,767,057
Due in more than one year	458,369,098	585,927,942	1,044,297,040
Total Liabilities	641,888,567	659,250,675	1,301,139,242
NET POSITION			
Net investment in capital assets	229,277,747	428,738,821	658,016,568
Restricted for:			
Debt service	41,181,361	66,873,587	108,054,948
Revenue bond reserves	-	2,678,746	2,678,746
Capital projects	1,602,792	-	1,602,792
Federal/State assistance	3,087,104	-	3,087,104
Community services	6,578,209	-	6,578,209
Unrestricted (deficit)	(131,703,070)	2,992,459	(128,710,611)
Total net position	\$ 150,024,143	\$ 501,283,613	\$ 651,307,756

The notes to the financial statements are an integral part of this statement.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2012

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
Functions/Programs					
Primary government:					
Governmental Activities:					
General government	\$ 26,520,320	\$ 3,579,602	\$ 1,449,387	\$ -	\$ (21,491,331)
Health and welfare	14,062,319	706,109	7,260,100	-	(6,096,110)
Public safety	130,719,941	8,744,676	6,761,464	273,032	(114,940,769)
Public works	77,746,268	8,614,203	8,766,393	-	(60,365,672)
Parks and recreation	5,263,063	547,780	10,000	-	(4,705,283)
Planning and development	26,627,128	4,480,536	8,881,541	1,009,906	(12,255,145)
Interest on long-term debt	21,701,853	-	1,141,970	-	(20,559,883)
Total governmental activities	302,640,892	26,672,906	34,270,855	1,282,938	(240,414,193)
Business-type activities:					
Electric and Water systems	256,465,888	261,315,976	-	130,878	4,980,966
Sewer System	22,012,623	23,633,571	-	192,083	1,813,031
EMS	7,392,927	4,589,845	-	-	(2,803,082)
Public Levee	1,162,015	820,070	-	-	(341,945)
Stormwater	1,512,216	3,429,547	-	-	1,917,331
Sunflower Hills Golf Course	825,125	707,015	-	-	(118,110)
Total business-type activities	289,370,794	294,496,024	-	322,961	5,448,191
Total primary government	\$ 592,011,686	\$ 321,168,930	\$ 34,270,855	\$ 1,605,899	\$ (234,966,002)
General revenues:					
Taxes:					
Property taxes, general purpose					95,535,842
Sales taxes					63,279,907
Franchise taxes					4,218,676
Other taxes					35,690,760
Transient guest tax					4,578,991
Unrestricted investment earnings					863,194
Miscellaneous					3,720,098
Transfers					5,518,890
Total general revenues, transfers and special item					6,753,348
Change in net position					215,941,030
Net position - beginning					(1,381,745)
Prior period adjustments					4,066,446
Net position - ending					156,043,216
					497,217,167
					18,454,090
					\$ 150,024,143
					\$ 501,283,613
					\$ 651,307,756

The notes to the financial statements are an integral part of this statement.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2012

	General	Capital Projects	Debt Service Economic Development	Other Governmental	Totals 2012
ASSETS					
Cash and temporary investments	\$ 11,186,788	\$ 36,728,113	\$ -	\$ 15,890,555	\$ 63,805,456
Restricted cash and temporary investments	347,982	6,892,505	8,903,117	133,818	16,277,422
Receivables (net of uncollectible amounts)					
Taxes:					
Property taxes	60,068,783	-	-	21,986,756	82,055,539
Other taxes	8,491,000	476,432	-	1,364,281	10,331,713
Accounts	3,885,437	-	-	430,863	4,316,300
Notes	16,379,463	-	-	417,088	16,796,551
Intergovernmental	-	-	32,150,974	-	32,150,974
Interest	669,591	41,991	-	10,697	722,279
Special assessments	701,084	-	-	1,251,927	1,953,011
Due from other funds	3,986,843	719,640	-	425,966	5,132,449
Due from other governments	294,000	-	-	249,304	543,304
Total Assets	\$ 106,010,971	\$ 44,858,681	\$ 41,054,091	\$ 42,161,255	\$ 234,084,998
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and contracts payable	\$ 2,628,206	\$ 1,960,368	\$ -	\$ 1,974,231	\$ 6,562,805
Accrued wages and other	5,012,792	30,927	-	982,315	6,026,034
Due to others	1,750,435	25,738	-	299,782	2,075,955
Due to other funds	2,085	1,635,076	-	1,647,336	3,284,497
Due to other governments	5,596	-	-	19,116	24,712
Deferred revenue	77,142,615	-	32,150,974	23,238,684	132,532,273
Temporary notes payable	-	54,330,500	-	-	54,330,500
Total Liabilities	86,541,729	57,982,609	32,150,974	28,161,464	204,836,776
Fund balances					
Restricted	751,740	-	8,903,117	15,418,988	25,073,845
Committed	560,204	-	-	832,686	1,392,890
Assigned	1,629,346	-	-	-	1,629,346
Unassigned	16,527,952	(13,123,928)	-	(2,251,883)	1,152,141
Total Fund Balances	19,469,242	(13,123,928)	8,903,117	13,999,791	29,248,222
Total Liabilities and Fund Balances	\$ 106,010,971	\$ 44,858,681	\$ 41,054,091	\$ 42,161,255	\$ 234,084,998

The notes to the financial statements are an integral part of this statement.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

December 31, 2012

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental funds		\$29,248,222
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Cost	\$869,616,451	
Accumulated depreciation	<u>(313,658,338)</u>	555,958,113
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>		
General obligation bonds payable	219,468,230	
Special obligation bonds payable	22,025,000	
Sales tax obligation bonds payable	77,734,667	
Transportation development bonds	18,462,000	
Premium on bonds payable	7,705,765	
Discount on bonds payable	(655,742)	
Deferred refunding	(603,115)	
Accrued interest payable on the bonds	4,449,466	
Section 108 loan	2,715,000	
Capital lease	7,808,657	
Accreted interest	13,688,664	
Compensated absences	43,854,734	
Claims and judgments	600,000	
OPEB liability	67,364,908	
Landfill closure / postclosure care	700,000	
Unfunded pension obligation	<u>263,544</u>	(485,581,778)
<p>Cost of issuance resulting from bond issues are considered expenditures in the funds but are recognized as assets in the government-wide statements.</p>		
		6,686,126
<p>Interest subsidy from the Federal government is not considered available to liquidate liabilities of the current period, and is therefore deferred in the funds. However, the interest is properly recognized as a revenue in the government-wide statements.</p>		
		188,471
<p>Note receivable from the Sporting KC project is not considered available to liquidate liabilities of the current period, and is therefore deferred in the funds. However, the note is properly recognized as a revenue in the government-wide statements.</p>		
		10,884,212
<p>Intergovernmental receivable from the State of Kansas is not considered available to liquidate liabilities of the current period, and is therefore deferred in the funds. However, the intergovernmental receivable is properly recognized as a revenue in the government-wide statements.</p>		
		32,150,974
<p>Special assessments are not considered available to liquidate liabilities of the current period, and are therefore deferred in the funds. However, they are properly recognized as revenue in the government-wide statements as soon as the related improvement has been completed.</p>		
		1,953,012
<p>Internal Service Funds are used by management to charge the costs of certain activities, such as insurance, to the individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.</p>		
		(1,463,209)
Total net position - governmental activities		<u>\$150,024,143</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2012

	General	Capital Projects	Debt Service Economic Development	Other Governmental	Totals 2012
REVENUES					
Taxes	\$143,062,658	\$ 4,837,923	\$ 18,980,767	\$ 36,179,283	\$203,060,631
Intergovernmental	746,207	5,235	43,997,846	30,884,775	75,634,063
Licenses, permits and fees	2,351,767	-	-	75,275	2,427,042
Charges for services	13,589,866	-	-	1,560,413	15,150,279
Fines, forfeitures and penalties	5,646,425	-	-	1,043,193	6,689,618
Interest income	1,994,550	128,671	746,881	564,079	3,434,181
Miscellaneous	2,353,477	283,831	-	2,826,081	5,463,389
TOTAL REVENUES	169,744,950	5,255,660	63,725,494	73,133,099	\$311,859,203
EXPENDITURES					
Current:					
General government	21,533,702	-	-	3,905,136	25,438,838
Public works	21,544,433	6,838,898	-	8,573,681	36,957,012
Public safety	103,274,300	-	-	7,471,570	110,745,870
Judicial	7,720,419	-	-	2,970,868	10,691,287
Health and welfare	612,378	-	-	13,105,075	13,717,453
Planning and development	5,467,463	-	5,790,570	7,426,725	18,684,758
Parks and recreation	4,515,803	-	-	313,690	4,829,493
Capital outlay	2,183,707	36,297,842	795,212	5,154,541	44,431,302
Debt service					
Principal	1,501,018	-	85,203,186	13,673,093	100,377,297
Interest	561,956	496,131	6,144,249	10,057,524	17,259,860
Other	-	-	1,411,665	-	1,411,665
TOTAL EXPENDITURES	168,915,179	43,632,871	99,344,882	72,651,903	384,544,835
OTHER FINANCING SOURCES (USES)					
Transfers in	3,962,148	11,363,423	67,690	3,975,428	19,368,689
Transfers out	(235,113)	(1,392,534)	-	(4,938,531)	(6,566,178)
Issuance of bonds	-	23,372,439	-	-	23,372,439
Issuance of refunding bonds	-	-	12,785,000	-	12,785,000
Premium from issuance of bonds	-	370,639	1,095,021	-	1,465,660
Discount on issuance of bonds	-	(60,111)	-	-	(60,111)
Proceeds from sale of capital assets	600,955	-	-	-	600,955
Issuance of capital lease	-	591,748	-	-	591,748
TOTAL OTHER FINANCING SOURCES (USES)	4,327,990	34,245,604	13,947,711	(963,103)	51,558,202
NET CHANGE IN FUND BALANCE	5,157,761	(4,131,607)	(21,671,677)	(481,907)	(\$21,127,430)
FUND BALANCES (DEFICITS)					
Beginning of year	14,311,481	(8,992,321)	10,004,299	14,481,698	29,805,157
Prior period adjustments	-	-	20,570,495	-	20,570,495
End of year	\$ 19,469,242	\$ (13,123,928)	\$ 8,903,117	\$ 13,999,791	\$29,248,222

The notes to the financial statements are an integral part of this statement.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2012

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds		(\$21,127,430)
<p>Governmental funds report capital asset acquisition as expenditures. However, in the statement of activities, the cost of assets capitalized is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized assets exceeded depreciation in the current period.</p>		
Depreciation expense	(\$21,526,363)	
Capitalized assets acquired	<u>21,457,117</u>	(69,246)
<p>In the statement of activities, transfers of capital assets from governmental activities to business type activities are reported as transfers, whereas in the governmental funds, there is no event to report as there is no outward flow of current financial resources.</p>		
		(6,049,163)
<p>Bond and capital lease proceeds and premiums / discounts provide or use current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.</p>		
General obligation bonds	(8,812,439)	
Special obligation bonds	(14,560,000)	
Sales tax obligation bonds payable	(12,785,000)	
Capital leases	(591,748)	
Premium	(1,465,660)	
Discount	<u>60,111</u>	(38,154,736)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
General obligation bonds	12,059,927	
Special obligation bonds	260,000	
Section 108 loan	310,000	
Sales tax obligation bonds	84,312,186	
Transportation development bonds	891,000	
Capital leases	<u>2,544,184</u>	100,377,297
<p>In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.</p>		
		128,684
<p>The amortization of bond premiums, discounts, deferred refundings and costs of issuance affects long-term assets and liabilities on the statement of net position, but does not provide or use current financial resources to governmental funds.</p>		
		(89,095)
<p>In the statement of activities, certain expenditures are measured by the amounts incurred during the year. In the governmental funds, however, expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid).</p>		
Compensated absences earned that exceeded amounts paid		(1,092,206)
Pension benefits paid in excess of obligations earned		31,815
Claims and judgments incurred that exceeded amounts paid		750,000
Landfill closure / postclosure care obligations paid		100,000
Other postemployment benefits earned		(5,736,763)
<p>Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.</p>		
		(2,448,222)
<p>Special assessments are not considered available to liquidate liabilities of the current period, and are therefore deferred in the funds. However, they are properly recognized as revenue in the statement of net position as soon as the related improvement has been completed.</p>		
		810,627
<p>Interest subsidy from the Federal government is not considered available to liquidate liabilities of the current period, and are therefore deferred in the funds. However, the interest is properly recognized as a revenue in the statement of activities.</p>		
		(70,663)
<p>Payments received on the note receivable from the Sporting KC project is recognized as revenue when received in the funds. However, in the statement of net position the note was recognized as revenue when issued.</p>		
		126,044
<p>Payments received on the intergovernmental receivable from the State of Kansas is recognized as revenue when received in the funds. However, in the statement of net position the intergovernmental receivable was recognized as revenue when issued.</p>		
		(49,884,556)
<p>Cost of issuance resulting from bond issues are considered expenditures in the funds but are recognized as assets in the government-wide statements.</p>		
		761,415
<p>In the statement of activities, interest is accreted on outstanding bonds, whereas in governmental funds, interest is accreted when interest payments are due.</p>		
		<u>(2,836,965)</u>
Change in net position of governmental activities		<u>(\$24,473,163)</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)**

GENERAL FUND

For the Year Ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final Amended		
REVENUES				
Tax revenue	\$ 139,432,959	\$ 140,400,750	\$ 142,892,053	\$ 2,491,303
Intergovernmental revenue	3,899,517	4,870,000	4,918,497	48,497
Charges for services	13,657,900	13,375,300	13,475,432	100,132
Fines, forfeitures and penalties	6,161,450	5,749,600	5,646,425	(103,175)
Interest income	1,633,700	1,700,000	1,852,035	152,035
Licenses, permits and fees	2,235,300	2,487,300	2,351,767	(135,533)
Miscellaneous revenue	3,133,025	2,701,086	2,644,732	(56,354)
TOTAL REVENUES	170,153,851	171,284,036	173,780,941	2,496,905
EXPENDITURES AND ENCUMBRANCES				
General government	18,757,808	19,726,479	21,627,809	(1,901,330)
Public works	22,439,276	23,856,885	23,096,678	760,207
Public safety	106,616,379	106,456,565	105,291,407	1,165,158
Judicial	8,553,977	8,929,531	8,093,764	835,767
Planning and development	10,462,336	10,982,618	10,422,301	560,317
Parks and recreation	5,641,986	5,693,906	4,841,514	852,392
TOTAL EXPENDITURES AND ENCUMBRANCES	172,471,762	175,645,984	173,373,473	2,272,511
OTHER FINANCING SOURCES (USES)				
Transfers in	2,456,000	3,737,449	4,459,128	721,679
Transfers out	(200,000)	(450,000)	(498,230)	(48,230)
Proceeds from sale of land	545,455	600,955	600,955	-
TOTAL OTHER FINANCING SOURCES (USES)	2,801,455	3,888,404	4,561,853	673,449
NET CHANGE IN FUND BALANCE	483,544	(473,544)	4,969,321	5,442,865
UNENCUMBERED FUND BALANCE				
Beginning of year	4,781,011	4,781,011	4,781,011	-
End of year	\$ 5,264,555	\$ 4,307,467	\$ 9,750,332	\$ 5,442,865

The notes to the financial statements are an integral part of this statement.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

December 31, 2012

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service
	Sewer System	Board of Public Utilities	NonMajor Business-type	Totals 2012	
ASSETS					
Current Assets:					
Cash and temporary investments	\$ 9,078,364	\$ 18,962,458	\$ 3,979,898	\$ 32,020,720	\$ 2,298,942
Restricted cash and temporary investments	5,278,746	20,196,843	53,063	25,528,652	3,730,978
Receivables (net of uncollectible amounts)					
Accounts and other receivables	3,580,808	36,549,817	2,467,695	42,598,320	145,716
Due from other funds	1,735,076	-	-	1,735,076	-
Inventories	-	36,650,293	-	36,650,293	-
Prepayments and other current assets	-	3,713,818	-	3,713,818	-
Total current assets	19,672,994	116,073,229	6,500,656	142,246,879	6,175,636
Noncurrent Assets:					
Restricted cash and investments	-	50,346,559	-	50,346,559	-
Capital assets	264,035,057	1,403,381,037	19,028,037	1,686,444,131	-
Accumulated depreciation	(153,037,568)	(675,472,360)	(9,349,466)	(837,859,394)	-
Construction in progress	12,896,170	95,996,823	2,009,979	110,902,972	-
Other assets (net of amortization)	340,299	9,279,158	-	9,619,457	-
Total noncurrent assets	124,233,958	883,531,217	11,688,550	1,019,453,725	-
TOTAL ASSETS	\$ 143,906,952	999,604,446	\$ 18,189,206	\$ 1,161,700,604	\$ 6,175,636
LIABILITIES					
Current liabilities:					
Accounts and contracts payable	\$ 1,133,568	27,111,698	\$ 262,584	\$ 28,507,850	\$ 356,323
Accrued wages and expenses	193,572	6,641,071	272,074	7,106,717	-
Accrued interest payable	916,179	6,747,683	148,957	7,812,819	-
Due to others	60,580	3,444,816	162,233	3,667,629	78,810
Due to other funds	100,000	-	1,066,316	1,166,316	2,416,712
Regulatory and other liabilities	-	2,990,875	-	2,990,875	-
Claims incurred but not reported	-	-	-	-	3,485,000
Unearned revenue	-	-	20,000	20,000	-
Compensated absences payable	79,422	1,182,000	116,301	1,377,723	-
Current maturities of long-term debt	2,995,455	18,125,230	718,435	21,839,120	-
Total current liabilities	5,478,776	66,243,373	2,766,900	74,489,049	6,336,845
Long-term liabilities:					
Revenue bonds payable, less current maturities	8,568,423	503,164,753	-	511,733,176	-
General obligation bonds payable (net of unamortized premiums and deferred amount on refunding)	38,774,608	-	6,864,216	45,638,824	-
Claims incurred but not reported	-	-	-	-	1,302,000
Compensated absences payable	1,347,366	4,774,000	1,973,002	8,094,368	-
Capital leases payable	1,246,549	-	197,095	1,443,644	-
Net pension obligation	-	9,579,524	-	9,579,524	-
OPEB Liability	3,593,291	3,303,724	2,541,391	9,438,406	-
Total long-term liabilities	53,530,237	520,822,001	11,575,704	585,927,942	1,302,000
TOTAL LIABILITIES	59,009,013	587,065,374	14,342,604	660,416,991	7,638,845
NET POSITION					
Net investment in capital assets	73,808,835	351,462,076	3,189,164	428,460,075	-
Restricted for debt service	-	66,873,587	-	66,873,587	-
Restricted for revenue bond reserves	2,678,746	-	-	2,678,746	-
Unrestricted	8,410,358	(5,796,591)	657,438	3,271,205	(1,463,209)
TOTAL NET POSITION	\$ 84,897,939	\$ 412,539,072	\$ 3,846,602	\$ 501,283,613	\$ (1,463,209)

The notes to the financial statements are an integral part of this statement.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION**

PROPRIETARY FUNDS

For the Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service
	Sewer System	Board of Public Utilities	NonMajor Business-type	Totals 2012	
OPERATING REVENUES					
Charges for service	\$ 23,052,463	\$ 261,315,976	\$ 5,296,860	\$ 289,665,299	\$ 28,068,783
Fines/forfeits/fees	-	-	3,317,188	3,317,188	-
Earned lease income	-	-	815,345	815,345	-
Permits and licenses	573,386	-	-	573,386	-
Intergovernmental	-	-	117,084	117,084	-
Miscellaneous revenues	7,722	-	-	7,722	985,977
Payment-in-lieu of taxes	-	28,052,962	-	28,052,962	-
TOTAL OPERATING REVENUES	23,633,571	289,368,938	9,546,477	322,548,986	29,054,760
OPERATING EXPENSES					
Cost of sales and service	14,688,100	204,642,159	9,562,408	228,892,667	31,680,096
Depreciation and amortization	5,456,699	33,107,129	764,156	39,327,984	-
TOTAL OPERATING EXPENSES	20,144,799	237,749,288	10,326,564	268,220,651	31,680,096
Operating income (loss)	3,488,772	51,619,650	(780,087)	54,328,335	(2,625,336)
NON-OPERATING REVENUES (EXPENSES)					
Tax revenue	192,083	-	4,218,676	4,410,759	-
Payment-in-lieu of taxes	-	(28,052,962)	-	(28,052,962)	-
Interest earnings	244,318	-	59,557	303,875	177,114
Interest expense	(1,867,824)	(18,716,600)	(339,615)	(20,924,039)	-
Other	-	849,052	(226,104)	622,948	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(1,431,423)	(45,920,510)	3,712,514	(43,639,419)	177,114
Income (loss) before contributions and transfers	2,057,349	5,699,140	2,932,427	10,688,916	(2,448,222)
Capital contributions-local government	5,459,605	-	589,558	6,049,163	-
Transfer in	100,818	-	442,344	543,162	-
Transfer out	(10,417,012)	-	(2,928,661)	(13,345,673)	-
Contributions from developers and others	-	130,878	-	130,878	-
Change in net position	(2,799,240)	5,830,018	1,035,668	4,066,446	(2,448,222)
TOTAL NET POSITION					
Beginning of year	87,697,179	406,709,054	2,810,934	497,217,167	985,013
End of year	\$ 84,897,939	\$ 412,539,072	\$ 3,846,602	\$ 501,283,613	\$ (1,463,209)

The notes to the financial statements are an integral part of this statement.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

continued

For the Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service
	Sewer System	Board of Public Utilities	NonMajor Business-type	Totals 2012	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 23,107,319	\$ 291,708,236	\$ 9,472,185	\$ 324,287,740	\$ 29,038,118
Payments to suppliers	(6,502,904)	(142,108,650)	(2,577,968)	(151,189,522)	-
Payments to employees	(7,185,990)	(59,658,108)	(6,090,097)	(72,934,195)	(31,437,405)
NET CASH FLOW FROM OPERATING ACTIVITIES	9,418,425	89,941,478	804,120	100,164,023	(2,399,287)
CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES					
Receipts from taxes	-	-	4,160,721	4,160,721	-
Transfers out	(10,417,012)	-	(2,928,661)	(13,345,673)	-
Transfers in	100,818	-	442,344	543,162	-
Payment -in-lieu of taxes	-	(28,351,143)	-	(28,351,143)	-
NET CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES	(10,316,194)	(28,351,143)	1,674,404	(36,992,933)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal paid on bonds	(2,315,294)	(141,922,368)	(375,135)	(144,612,797)	-
Interest paid on bonds and capital leases	(1,922,147)	(18,923,782)	(350,946)	(21,196,875)	-
Proceeds from bonds	9,338,696	215,197,184	672,661	225,208,541	-
Proceeds from capital leases	984,455	-	-	984,455	-
Acquisition of capital assets	(1,777,053)	(149,976,656)	(929,018)	(152,682,727)	-
Payments on capital leases	(241,781)	(74,989)	(430,859)	(747,629)	-
Acquisition of intangible assets	-	(512,536)	-	(512,536)	-
Accounts payable related to capital activities	-	(3,532,654)	-	(3,532,654)	-
Special assessment taxes	180,330	-	-	180,330	-
Issuance of government loans	-	87,465	-	87,465	-
Payments for debt issuance costs	(96,311)	406,470	-	310,159	-
NET CASH FLOW FROM CAPITAL RELATED FINANCING ACTIVITIES	4,150,895	(99,251,866)	(1,413,297)	(96,514,268)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	244,318	(10,976)	44,220	277,562	123,573
Purchases of investments	-	(109,613,466)	-	(109,613,466)	-
Proceeds from maturity or sale of investments	-	172,130,069	-	172,130,069	-
NET CASH FLOW FROM INVESTING ACTIVITIES	244,318	62,505,627	44,220	62,794,165	123,573
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	3,497,444	24,844,096	1,109,447	29,450,987	(2,275,714)
CASH AND CASH EQUIVALENTS					
Beginning of year	10,859,666	47,147,174	2,923,514	60,930,354	8,305,634
End of year	\$ 14,357,110	\$ 71,991,270	\$ 4,032,961	\$ 90,381,341	\$ 6,029,920
Cash and temporary investments	\$ 9,078,364	\$ 18,962,458	\$ 3,979,898	\$ 32,020,720	\$ 2,298,942
Cash and cash equivalents, reported as restricted cash	5,278,746	53,028,812	53,063	58,360,621	3,730,978
	\$ 14,357,110	\$ 71,991,270	\$ 4,032,961	\$ 90,381,341	\$ 6,029,920

The notes to the financial statements are an integral part of this statement.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS - continued

For the Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service
	Sewer System	Board of Public Utilities	Nonmajor Business-type	Totals 2012	
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income	\$ 3,488,772	\$ 51,619,650	\$ (780,087)	\$ 54,328,335	\$ (2,625,336)
Adjustments to reconcile operating income to cash flow from operating activities					
Depreciation and amortization	5,456,699	33,107,129	764,156	39,327,984	-
Changes in assets and liabilities					
Accounts receivable	(526,252)	(2,959,267)	(74,292)	(3,559,811)	(16,642)
Inventories and prepaid assets	-	(2,080,790)	-	(2,080,790)	-
Accrued wages and expenses	33,209	350,900	74,614	458,723	-
Accounts payable	695,785	406,079	99,180	1,201,044	225,532
Accrued vacation and sick pay	70,097	-	326,614	396,711	-
Claims incurred but not reported	-	-	-	-	(498,000)
Due to others	-	118,681	7,810	126,491	516,856
Due to / from other funds	(89,943)	-	138,436	48,493	(1,697)
Unearned revenue	-	4,950,188	-	4,950,188	-
OPEB liability	290,058	-	247,689	537,747	-
Pension obligation	-	2,469,322	-	2,469,322	-
Other non-current assets	-	1,959,586	-	1,959,586	-
NET CASH FROM OPERATING ACTIVITIES	\$ 9,418,425	\$ 89,941,478	\$ 804,120	\$ 100,164,023	\$ (2,399,287)
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions-local government	\$ 5,459,605	\$ 130,878	\$ 589,588	\$ 6,180,071	\$ -
Property, plant and equipment acquired with capital leases	-	-	719,640	719,640	-

The notes to the financial statements are an integral part of this statement.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

December 31, 2012

	Agency Funds
ASSETS	
Cash and investments	\$ 109,634,968
Accounts receivable	201,490
TOTAL ASSETS	<u>\$ 109,836,458</u>
LIABILITIES	
Accounts payable	\$ 513,153
Due to others	396,300
Due to other governments	108,927,005
TOTAL LIABILITIES	<u>\$ 109,836,458</u>

The notes to the financial statements are an integral part of this statement.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

The Unified Government of Wyandotte County/Kansas City, Kansas (the Unified Government) is organized under the laws of the State of Kansas and is governed by an elected eleven-member board. The Unified Government was created October 1, 1997, based on a citizen vote to consolidate the operations of the City of Kansas City, Kansas and Wyandotte County. As of December 31, 2012, there were no component units for which the Unified Government is considered to be financially accountable.

Under Charter Ordinance of the Unified Government of Wyandotte County, Kansas City, Kansas (the Unified Government), pursuant to the Unified Government's constitutional home rule, the BPU is an administrative agency of the Unified Government and, as such, is a part of the Unified Government's primary government. However, the BPU's operational and administrative control is under a six-member elected board of directors (the Board).

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment; and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds and fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For

this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and thus have been recognized as revenue of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Unrestricted aid is reported as revenue in the fiscal year during which the entitlement is received.

The Unified Government reports the following major governmental funds:

The *General Fund* is the Unified Government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Capital Projects Fund* accounts for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

The *Economic Development Fund* accounts for the servicing of transportation development and sales tax obligation bonds.

The Unified Government reports the following major proprietary funds:

The *Sewer System Fund* provides financing for water pollution control and is responsible for day-to-day and future operations, routing system maintenance and payment on revenue bonds.

The *Board of Public Utilities (BPU)* is an administrative agency of the Unified Government. The BPU operates and maintains the water and electric utilities owned by the Unified Government.

Additionally, the Unified Government reports the following fund types:

The *Internal Service Funds* account for workers' compensation reserves, health insurance reserves, and cafeteria plan reserves that provide services to other departments on a cost-reimbursement basis.

The *Agency Funds* are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to report resources held by the Unified Government in a custodial capacity for tax collection and related disbursements to other governments, as well as amounts held in a fiduciary capacity for remittance to individuals, private organizations, or other organizations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payment-in-lieu of taxes and other charges between the government's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include: charges to customers or applicants for goods, services, or privileges provided; operating grants and contributions; and capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenue includes activities that have characteristics of exchange transactions, including charges for services. Nonoperating revenue includes activities that have the characteristics of nonexchange transactions, such as grants, subsidies, and investment income. Operating expenses for enterprise funds and internal service funds include the cost of sales and services administrative expenses, and depreciation on capital assets. All expenses not meeting the above criteria are classified as nonoperating.

The BPU's accounting policies conform to the requirements for rate regulated operations. In accordance with these rules, the BPU records certain costs or credits as deferred charges or credits when it is probable that future rates established by the Board permit recovery of specific costs or require these credits to be returned to ratepayers. The BPU applies the provisions of GASB Accounting Standards Codification Section Re10, *Regulated Operations*, as appropriate.

Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues, expenditures, expenses and other disclosures. Accordingly, actual results could differ from those estimates.

D. Assets, liabilities and net position or equity

1. Deposits and investments

The Unified Government maintains a cash and investment pool that is available for use by all funds except the BPU. The pool has the general characteristics of demand deposit accounts, in that each fund may deposit additional cash at any time and also, effectively, may withdraw cash at any time without prior notice or penalty. The pooled cash is invested to the extent available in authorized investments. Each fund's portion of the pool is displayed on their balance sheet as "Cash and temporary investments." The balance sheet also includes two other accounts for restricted cash and investments of the Unified Government. Restricted cash consists of assets held by trustees and various reserves required by revenue bond ordinances. For purposes of the statements of cash flows, the Unified Government considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

State statutes authorize the Unified Government to invest in temporary notes of the Unified Government, time deposits, United States Treasury notes, repurchase agreements, a municipal investment pool established through the trust department of commercial banks which have offices in Wyandotte County, and the Kansas Municipal Investment Pool. This pool is not an SEC registered pool. The Pooled Money Investment Board (PMIB) provides the regulatory oversight for this pool. The reported value of the pool is the same as the fair value of the pool shares. Investments are stated at amortized cost which approximates fair value.

In addition to the preceding investments, state statutes authorize the Unified Government to invest proceeds of bonds and temporary notes in direct U.S. government and agency obligations, time deposits with banks located in Wyandotte County, FNMA, FHLB and FHLMC obligations, repurchase agreements, investment agreements with financial institutions including broker/dealers whose obligations are rated in one of the three highest rating categories by either Moody's or Standard and Poor's, mutual funds whose portfolio consists entirely of obligations of the U.S. government, agencies, FNMA, FHLB or FHLMC, and bonds issued by any municipality of the State of Kansas.

The Unified Government maintains compensating balances with its depository bank to offset charges for check clearing and other services.

Interest income of the investment pool is allocated based on weekly fund balances to the debt service, capital projects and enterprise funds with the balance allocated to the general fund.

Kansas statutes authorize the BPU, with certain restrictions, to invest in open accounts, time deposits, certificates of deposit, U.S. Treasury notes and U.S. agency notes. All deposits with banks are collateralized at 102% of market value as required by BPU's Cash and Investment Policy and State Statute, less insured amounts.

2. *Receivables and payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-types activities are reported in the government-wide financial statements as "internal balances."

Property tax receivable. In accordance with State statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and are levied and become a lien on the property on November 1 of each year. The Unified Government Treasurer is the tax collection agent for all taxing entities within the Unified Government. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied, with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the Unified Government Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are a lien on the property and are recorded as taxes receivable, net of anticipated delinquencies, with a corresponding amount recorded as deferred revenue. The property tax receivable allowance is equal to 8.23% percent of outstanding property taxes at December 31, 2012.

Sales tax receivable. The Unified Government has a 2.63% local sales tax collected by the State and remitted to the Unified Government monthly. One-quarter of one percent is pledged for EMS operations, three-eighths of one percent is pledged for public safety and public works projects, and the remainder is pledged for operations. The accrued sales tax receivable represents the sales tax collected by merchants at year-end.

Special assessments receivable. As required by State statutes, projects financed in part by special assessments are financed through the issuance of general obligation bonds which are secured by the full faith and credit of the Unified Government and are retired from the Unified Government bond and interest fund. Further, State statutes permit levying additional general ad valorem property taxes in the Unified Government bond and interest fund to finance delinquent special assessments receivable. Consequently, special assessments receivable are accounted for within the Unified Government bond and interest fund. Special assessment taxes are levied over a ten or fifteen year period, and the annual installments are due and payable with annual ad valorem property taxes. The Unified Government may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears. At December 31, the special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the bond and interest fund with a corresponding amount recorded as deferred revenue.

BPU accounts receivable and revenue. The BPU utilizes cycle billing and accrues the amount of revenues for sales unbilled at the end of each reporting period. An estimate is made for the provision for uncollectible accounts based on an analysis of the aging of accounts receivable and historical write-offs, net of recoveries. Additional amounts may be included based upon the credit risks of significant parties. Allowances totaled \$912,196 in fiscal year 2012.

3. Inventories and prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Inventories of governmental funds are recorded as expenditures during the year of purchase. Inventories are valued at the lower of average cost or market.

Inventories:	
Fuel	\$ 12,958,201
Material and supplies	<u>23,692,092</u>
Total	<u>\$ 36,650,293</u>

4. Restricted assets

Certain proceeds of the Unified Government’s enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The BPU also requires certain resources of the utility system to be classified as restricted assets. The “debt service reserve” account is used to segregate resources accumulated for principal and interest payments on bonds. The “construction reserve” account is used to report resources set aside for acquiring, constructing and installing capital improvements. The “improvement and emergency” account is used to report resources set aside to finance major renewals, repairs and replacement and extraordinary or unforeseen expenditures.

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the Sewer System Fund is included as part of the capitalized value of the asset constructed. For the BPU, interest costs incurred to finance construction work-in-progress are also capitalized.

Property, plant and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Governmental Activities	Sewer System	EMS	Stormwater	Public Levee	Sunflower Hills Golf Course
Land Improvements					30 years	
Machinery and equipment	6 to 10 years	6 to 20 years	5 to 10 years		3 to 15 years	5 to 10 years
Sewer lines		50 years				
Street and bridge infrastructure	20 to 40 years					
Structures and improvements	20 to 40 years				10 to 30 years	30 to 40 years
Treatment plants and other facilities		33 years		33 years		
Other public domain infrastructure	10 to 30 years					

Depreciation for the BPU is computed on a straight-line basis using the following composite rates:

Production plant	1.67% to 4.00%
Transmission and distribution	1.67% to 6.67%
General plant	2.27% to 10.0%

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the service utility of an asset has declined significantly and unexpectedly.

6. *Compensated absences*

Unified Government of Wyandotte County/Kansas City, Kansas employees. The number of vacation days awarded to a permanent, full-time employee is dependent upon the individual employee's number of continuous years of service. The number of days of annual vacation range from 11 to 28 days for full-time regular employees, 15 to 30 days for command officers of the police and fire departments, and 240 to 288 hours for fire officers on 24-hour shifts. Selected part-time employees accrue one-half the number of hours accrued by full-time regular employees. Employees are not eligible to use the earned time until one year of continuous service is completed. If certain conditions are satisfied and if appropriate approval is received, an employee may carry over to the following year earned and unused vacation time.

Permanent, full-time employees also earn and accumulate sick leave time at the rate of 10 hours for each minimum month of service. Selected part-time employees accrue sick leave time at the rate of one-half the full-time rate (5 hours) for each minimum month of service. Unused sick leave may be carried over indefinitely. Payment of unused sick leave will be made upon separation of employment based on a prorated formula.

In governmental fund financial statements, a liability is accrued when it has matured, for example, as a result of employee resignations and retirements.

Proprietary fund types accrue vacation and sick pay as earned. The liabilities are based on current salary costs and the vested portion of accumulated benefits.

BPU employees. Under the terms of the BPU's personnel policy, employees are granted vacation and sick leave. In the event of termination, an employee is paid for accumulated vacation days. Employees may carry over a maximum of 80 hours of vacation hours for bargaining unit employees and 120 hours for non-bargaining unit employees. Sick leave can be accrued up to 1,760 hours. Employees who resign with at least fifteen years of service are paid for 75 percent of accumulated sick leave. All employees are paid for accumulated sick leave upon retirement or death.

The BPU accrues vacation and sick pay as earned. The liabilities are based on current salary costs and the vested portion of accumulated benefits.

7. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Equity Classifications

In the government-wide statements, equity is shown as net position and classified into three components:

- (1) Net investment in capital assets – consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, leases, or other borrowings that are attributable to the acquisitions, construction, or improvements of those assets
- (2) Restricted net position – consisting of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Unified Government and the BPU first utilize restricted resources to finance qualifying activities.
- (3) Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

In the governmental funds, equity is shown as fund balance and classified into five components:

- (1) Non-spendable – Assets legally or contractually required to be maintained or are not in spendable form. Such constraint is binding until the legal requirement is repealed or the amount becomes spendable.
- (2) Restricted – Assets with externally imposed constraints such as those mandated by creditors, grantors and contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, laws or regulations.
- (3) Committed – Assets with a purpose formally imposed by the Unified Government Board of Commissioners (Board) using its highest level of authority, binding unless modified or rescinded by the Board. The highest level of authority for the Board when acting as a county governing body is a resolution. The highest level of authority for the Board when acting as a city is an ordinance.
- (4) Assigned – Comprises of amounts intended to be used for specific purposes that are neither restricted nor committed. Intent is expressed by a) the Unified Government Board of Commissioners or b) a body or official to whom the Board has delegated the authority to assign amounts to be used for specific purposes as prescribed by the Unified Government’s Fund Balance Policies.

- (5) Unassigned – All amounts not included in the other fund balance classifications. The general fund shall be the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

In circumstances when expenditure is made for a purpose which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

9. *Payment-in-lieu of taxes (PILOT)*

The BPU is exempt from federal and state income taxes and local property taxes because it is an administrative agency of the Unified Government. However, the BPU is required by a Charter Ordinance to pay a percentage of gross operating revenues to the Unified Government. The Charter Ordinance established a range of 5.0 to 15.0%. Currently, the payment-in-lieu of taxes is established at 10.9%, which amounted to \$28,052,962 during 2012. The PILOT is billed and collected by the BPU through incorporation in the rates as a supplemental rate rider.

In addition to these payments to the Unified Government, the BPU also contributes free services to the Unified Government, such as street lighting, fire hydrant services, traffic signals, and collection of sewer and trash charges. These service contributions approximated \$16,451,481 or 6.3% of the BPU's total revenue for 2012.

10. *Pending Governmental Accounting Standards Board statements*

GASB Statement No. 61, The Financial Reporting Entity: Omnibus, was issued in November 2010. This Statement modifies certain requirements for inclusion of component units in the County's financial statements when the component unit was included based on the fiscal dependency requirement. The new statement clarifies the manner in which a government's management determines a component unit should be included, even if the financial accountability criterion is not met. This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) when the component unit is blended based on the "substantively in the same governing body" criterion. New criteria also are added to require blending of component units whose total debt outstanding is expected to be repaid entirely or almost entirely with resources of the primary government. The provisions of this statement are effective for financial statements for the County's fiscal year ending December 31, 2013.

GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, was issued in March 2012. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reports as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reports as assets and liabilities. Also, this statement provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows and inflows of resources, such as changes in determination of the major fund calculations and limiting the use of the term deferred in the financial statement presentations. The provisions of this statement are effective for financial statements for the Unified Government's fiscal year ending December 31, 2013 with earlier application encouraged.

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, was issued in June 2012. This statement establishes accounting and financial reporting by state and local governments for pensions, including entities that participate in cost-sharing multiple-employer plans. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equipment arrangements that meet certain criteria. Also, this statement

establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For example, cost-sharing employers participating in KPERS, such as the Unified Government, will be required to record their proportionate share, as defined in Statement No. 68, of the KPERS unfunded pension liability. While management of the Unified Government has not yet estimated their share of the KPERS liability, it is presumed that the amount will be material to the Unified Government's financial statements. The provisions of this statement are effective for financial statements for the Unified Government's fiscal year ending December 31, 2015.

GASB Statement No. 69, Government Combinations and Disposals of Government Operations, was issued in January 2013. This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. This statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. The provisions of this statement are effective for financial statements for the Unified Government's fiscal year ending December 31, 2016 with earlier application encouraged.

GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, was issued in April 2013. The objective of this statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor. This statement specifies the information required to be disclosed by governments that extend nonexchange financial guarantees. In addition, this statement requires new information to be disclosed by governments that receive nonexchange financial guarantees. The provisions of this statement are effective for financial statements for the Unified Government's fiscal year ending December 31, 2014 with earlier application encouraged.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary information

State statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds, debt service funds and enterprise funds, (unless the fund is specifically exempted by statute). Kansas statutes provide for the following sequence and timetable of the legal annual operating budget:

- Preparation of the budget for the succeeding calendar year on or before August 1st.
- Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
- Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- Adoption of the final budget on or before August 25th.

The Unified Government has the following levels of budget control:

- The legal level of control is established at the fund level by State statutes which also permit the transfer of budgeted amounts from one object code or purpose to another within the same fund.

While the legal level of control is at the fund level, the Unified Government also has the following internal policies:

- The Unified Government further controls spending by requiring that no expenditures be committed that would exceed the amount appropriated for the spending category (eg Personnel Services, Contractual Services) without the department first obtaining approval. The following types of budget transfers require department director approval and additional approval by the County Administrator's Office:
 - An appropriation of contingency funds
 - An appropriation of reserve funds
 - Transfers that move funds between operating and capital budgets
 - Transfers within a fund that are equal to or greater than \$10,000

The following actions require budget director's approval before execution:

- Pre Bid Contracts
- Capital Project Contracts
- Capital Equipment Purchases
- Changing status of an unfunded personnel position to funded or creation of a new personnel position.

The following budgetary controls have been implemented and will be adhered to by all departments and divisions:

- Transfers from the salary accounts require department director, chief financial officer, and County Administrator's Office approvals.
- Funds may be transferred between other accounts with department director approval.
- Funds may be transferred from one division to another division with both divisions being in the same fund with department director and the transferring division manager approvals.
- As allowed by State statute, the governing body can increase the fund level expenditures by amending the budget. An amendment may only be made for previously unbudgeted increases in revenue other than ad valorem taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after the publication, the hearing may be held and the governing body may amend the budget at that time.

Budget comparison statements are presented for each budgeted fund showing the actual receipts and expenditures compared to budgeted receipts and expenditures. Transfers to close funds can exceed the amount budgeted for that object code. The Unified Government of Wyandotte County/Kansas City, Kansas budget amounts presented in the statements that compare actual expenditures to the budget are the amended amounts.

All legal operating budgets are prepared using the modified cash basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end, except for capital project funds appropriations that are carried forward until such time as the project is completed or terminated. Encumbered appropriations are not reappropriated in the ensuing year's budget but are carried forward until liquidated or canceled. Accordingly, the data presented in the budgetary comparison statements differ from the data presented in the financial statements prepared in accordance with accounting principles generally accepted in the United States of America. A legal operating budget is not required for the following Unified Government funds:

Capital Projects
 Internal Service
 Special Revenue: AR&RA
 Special Revenue: Community Development
 Special Revenue: Revolving Loan Fund
 Special Revenue: Special Grants
 Special Revenue: Special Law Enforcement
 Debt Service: Economic Development
 Agency Funds

Controls over spending in the above non-budgeted funds, which are not subject to the legal budget requirements, are maintained by the review and internal appropriation process established by management.

B. Budget/GAAP Reconciliation

As described in Note II.A. above, the actual data presented in the budgetary comparison statements differ from the data reported in accordance with GAAP. The following schedule presents the reconciliation between the different bases of reporting for the general fund:

Revenue and other sources:	<u>General Fund</u>
GAAP basis revenues	\$ 174,308,053
Revenue adjustments	69,420
Non-budgeted subfunds	(27,710)
Intrafund appropriations	4,200,000
Cancellation of prior year encumbrances	<u>291,261</u>
Budgetary basis revenue	<u>\$ 178,841,024</u>
Expenditures and other uses:	
GAAP basis expenditures	\$ 169,150,292
Expenditure adjustments	(50,797)
Intrafund appropriations	4,200,000
Change in reserve for encumbrances	280,947
Cancellation of prior year encumbrances	<u>291,261</u>
Budgetary basis expenditures	<u>\$ 173,871,703</u>

C. Deficit fund equity

At December 31, 2012, the Workers' Compensation fund had a deficit of \$5,424,940 which will be recovered from future internal charges to the Unified Government's other funds. The Community Development fund and AR&RA fund had deficit fund balances of \$1,256,201 and \$995,682 respectively, which will be recovered from future intergovernmental revenues. The EMS fund had deficit fund balances of \$1,218,766 which will be recovered from future charges for services. The Capital Projects fund had a deficit fund balance of \$13,382,525, which will be recovered from future bond issuances.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

The Unified Government (excluding the BPU) has adopted a formal Cash Management and Investment Policy. Primary objectives of investment activities are, in order of priority, safety, diversification, liquidity, maturity, and return on investment. The standard of care to be used by investment officials shall be the "prudent person standard" and shall be applied in the context of managing an overall portfolio. This rule states "Investments shall be made with judgment and care, under circumstances

then prevailing, which persons of prudence, discretion and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

The BPU maintains a cash and investment program to pay for operating and capital requirements as well as for debt service requirements. The investment program is comprised of deposits, repurchase agreements, certificates of deposit, and U.S. Treasury securities. Other investments using U.S. Agency and money market fund securities for the debt service program are managed by the bond trustee. Nearly all maturities of securities were less than one year. At December 31, 2012, the bank balance and certificates of deposit were \$713,792, which was covered by federal depository insurance and collateral held in safekeeping in the BPU's name.

The BPU has an investment policy that regulates investments in securities that have objectives of safety of principal, liquidity with all investments in U.S. dollars, and investment returns optimized within the constraints of safety and liquidity. Eligible securities are specific to Kansas State Statutes and the BPU's bond indenture agreements. All securities owned by BPU are in conformance with the investment policy.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure or failure of the investment counter-party, the Unified Government's deposits may not be returned to it, or it will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Unified Government requires that deposits be fully collateralized at all times. Acceptable collateral for deposits follows the provisions of state law. Peak period collateral agreements are not permitted under the Unified Government's policy. As of December 31, 2012, the market value of assets pledged to the Unified Government as collateral exceeded amounts on deposit.

As of December 31, 2012, the Unified Government had \$10,000,000 invested in a Deutsche Bank guaranteed investment contract. Under this contract, no collateral was required unless Deutsche Bank's long-term unsecured debt rating by Moody's, Standard and Poor's and Fitch was below an A3, A- and A-, respectively. As of December 31, 2012, Deutsche Bank's ratings met these ratings so no collateral was pledged for this investment.

The Unified Government requires all security purchases be settled on a delivery versus payment basis with an independent third-party custodian designated by the Unified Government. As of December 31, 2012, the Unified Government had \$45,526,493 of investments in U.S. government agency securities which were held by the investment's counterparty.

The BPU believes it has no custodial risk. All deposits with banks are collateralized at 102% of market value, as required by the BPU's cash and investment policy and Kansas state statute, less insured amounts. All securities are registered in the name of the BPU and held by a third-party safekeeping agent. Investments in money market mutual funds are not exposed to custodial risk because their existence is not evidenced by securities that exist in physical or book entry form.

Interest Rate Risk. Interest rate risk is the risk that the market rate value of securities in the portfolio will fall due to changes in general interest rates. Through its investment policy, the Unified Government manages this risk by structuring investments so that securities mature to meet cash flows of the general operating fund, and by investing general operating funds primarily in shorter-term securities. Additionally, the investment policy limits investments to a maximum stated maturity of four years.

The BPU minimizes the risk of market value changes by structuring the investment portfolio so that fixed income securities mature to meet cash requirements for debt service and other disbursement requirements for ongoing operations and by keeping maturities short.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. Kansas law limits the types of investments that can be made. The Unified Government's investment policy does not impose any additional limitations. In accordance with the investment policy, credit risk is minimized by limiting investments to the safest types of securities, by pre-qualifying financial institutions, broker/dealers, intermediaries, and advisors with whom the Unified Government will do business, and by diversifying the investment portfolio so that potential loss on individual securities will be minimal. As of December 31, 2012, the securities underlying repurchase agreements included U.S. agency obligations not explicitly guaranteed by the U.S. government. The securities had ratings of AAA by Moody's and AA+ by Standard and Poor's. Investments in interest-earning investment contracts are not rated.

The BPU manages credit risk by requiring all investments meet the investment guidelines as established by the State of Kansas as described in K.S.A 12-1675 and 10-131. This requires all investments be in U.S. Treasury securities, in U.S. agency securities, or in any external investment pools, Money Market Mutual Funds, or Repurchase Agreement securities be the highest rated by nationally recognized rating agencies. Any bank deposits and including certificates of deposit are fully collateralized by the FDIC or other qualifying securities. All securities held by the BPU meet the credit quality objective.

Concentration of Credit Risk. The Unified Government investment policy limits the amount of investments that can be placed with a single financial institution to no more than 60% of the total investment portfolio. The following maximum limits, by investment type, are also established:

<u>Investment Type</u>	<u>Maximum % of Portfolio</u>
Certificates of deposit	100%
U.S. Treasury bills or notes	100%
U.S. Government agency obligations	50%
Kansas Municipal Investment Pool	50%
Repurchase agreements	25%
Bank trust department municipal pools	25%
Temporary notes or no-fund warrants	10%

At December 31 2012, the Unified Government held \$21.4 million, or 10.5%, of its portfolio in investments issued by Federal Home Loan Bank.

At December 31, 2012, the Unified Government (excluding the BPU) had the following investments:

	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>	
		<u>Less Than 1</u>	<u>1-5</u>
Repurchase agreements	\$ 84,586,000	\$ 84,586,000	\$ -
U.S. government agencies	45,526,493	14,541,261	30,985,232
Certificates of deposit	53,690,000	3,690,000	50,000,000
Guaranteed investment contract	<u>10,031,958</u>	<u>10,031,958</u>	<u>-</u>
Subtotal general operating portfolio	193,834,451	112,849,219	80,985,232
Assets held by trustee:			
U.S. Treasuries	<u>15,915,917</u>	<u>15,915,917</u>	<u>-</u>
Total Investments	<u>\$209,750,368</u>	<u>\$128,765,136</u>	<u>\$ 80,985,232</u>

The BPU has a concentration of credit risk where it holds more than 5% of its investment portfolio in any one security issuer other than U.S. Treasury securities and in investment pools. The following U.S. Agency securities held in safekeeping by the BPU's bond trustees are in excess of 5% of total investments:

<u>Issuer</u>	<u>Amount</u>	<u>% of total portfolio</u>
FHLB	\$21,925,638	24.50%
FNMA	14,579,329	16.29%

The fair market values, as determined by market prices, of the BPU's investments at December 31, 2012 are as follows:

	<u>Fair Value</u>	<u>Investment maturities</u>		
		<u>Less Than 6 months</u>	<u>6-12 months</u>	<u>Greater than 12 months</u>
Cash and CD's	\$ 713,792	\$ 713,792	\$ -	\$ -
Repurchase agreements	24,841,398	23,411,075	-	1,430,323
US Agency	38,797,661	32,750,693	6,046,968	-
Money market funds	25,153,009	25,153,009	-	-
Total Investments	<u>\$ 89,505,860</u>	<u>\$ 82,028,569</u>	<u>\$ 6,046,968</u>	<u>\$ 1,430,323</u>

A reconciliation of cash and investments is as follows:

	<u>Unified Government</u>	<u>BPU</u>	<u>TOTAL</u>
Cash on hand	\$ 11,062	\$ -	\$ 11,062
Carrying amount of deposits	2,227,874	713,792	2,941,666
Cash with others	2,148,533	-	2,148,533
Investments	193,834,451	88,792,068	282,626,519
Investments, assets held by trustee	15,915,917	-	15,915,917
Total	<u>\$214,137,837</u>	<u>\$ 89,505,860</u>	<u>\$303,643,697</u>

	<u>Unified Government</u>	<u>BPU</u>	<u>TOTAL</u>
Cash and temporary investments	\$188,797,628	\$ 18,962,458	\$207,760,086
Restricted cash and investments	25,340,209	70,543,402	95,883,611
Total	<u>\$214,137,837</u>	<u>\$ 89,505,860</u>	<u>\$303,643,697</u>

B. Capital Assets

Capital asset activity for the year ended December 31, 2012 was as follows:

Governmental activities:	Beginning Balance	Prior Period Adjustment	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 8,658,160	\$ -	\$ -	\$ -	\$ 8,658,160
Construction in progress	64,185,654	(4,884,033)	14,344,820	44,510,596	29,135,845
Total capital assets, not being depreciated	72,843,814	(4,884,033)	14,344,820	44,510,596	37,794,005
Capital assets, being depreciated:					
Buildings	125,534,840	-	-	-	125,534,840
Improvements other than buildings	28,667,093	-	10,687,933	-	39,355,026
Machinery and equipment	61,063,490	-	1,063,134	27,241	62,099,383
Infrastructure	571,010,534	-	33,822,663	-	604,833,197
Total capital assets, being depreciated	786,275,957	-	45,573,730	27,241	831,822,446
Less accumulated depreciation for:					
Buildings	73,067,122	-	2,394,519	-	75,461,641
Improvements other than buildings	15,629,510	-	600,571	-	16,230,081
Machinery and equipment	49,568,415	-	3,049,416	27,241	52,590,590
Infrastructure	153,894,169	-	15,481,857	-	169,376,026
Total accumulated depreciation	292,159,216	-	21,526,363	27,241	313,658,338
Total capital assets, being depreciated, net	494,116,741	-	24,047,367	-	518,164,108
Governmental activities capital assets, net	\$ 566,960,555	\$ (4,884,033)	\$ 38,392,187	\$ 44,510,596	\$ 555,958,113

Prior Period Adjustment. During 2012, the Unified Government noted certain costs that had been recorded as construction in process which should not have been. These corrections resulted in a net decrease to net position of \$4,884,033.

Business-type activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,981,135	\$ -	\$ -	\$ 1,981,135
Sewer-Construction in progress	18,514,018	5,790,653	11,408,501	12,896,170
Stormwater -Construction in progress	3,008,845	1,028,089	2,026,955	2,009,979
BPU-Construction in progress	47,675,290	81,592,315	33,270,782	95,996,823
Total capital assets, not being depreciated	71,179,288	88,411,057	46,706,238	112,884,107
Capital assets, being depreciated:				
Buildings and improvements	8,109,852	-	-	8,109,852
Improvements other than buildings	3,691,240	-	-	3,691,240
Sewer lines	149,068,750	11,725,686	-	160,794,436
Treatment plants and facilities	63,852,551	2,907,156	-	66,759,707
Machinery and equipment	41,403,803	1,629,260	1,306,339	41,726,724
BPU Plant and equipment	1,317,613,369	101,403,501	15,635,833	1,403,381,037
Total capital assets, being depreciated	1,583,739,565	117,665,603	16,942,172	1,684,462,996
Less accumulated depreciation for:				
Buildings and improvements	4,965,435	204,210	-	5,169,645
Improvements other than buildings	2,036,441	82,542	-	2,118,983
Sewer lines	66,241,614	3,083,072	-	69,324,686
Treatment plants and facilities	47,355,342	1,931,063	-	49,286,405
Machinery and equipment	36,647,582	919,968	1,080,235	36,487,315
BPU Plant and equipment	658,891,038	32,217,516	15,636,194	675,472,360
Total accumulated depreciation	816,137,452	38,438,371	16,716,429	837,859,394
Total capital assets, being depreciated, net	767,602,113	79,227,232	225,743	846,603,602
Business-type activities capital assets, net	\$ 838,781,401	\$ 167,638,289	\$ 46,931,981	\$ 959,487,709

As discussed in note IV D, on December 18, 2012, the BPU acquired an undivided 17% interest in the assets of the Dogwood Energy Facility (Dogwood). The BPU's portion of Dogwood had a net utility plant investment of \$67.8 million. This amount is included in the BPU Plant and Equipment additions in the above table.

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 454,428
Health and Welfare	51,833
Public Safety	1,717,368
Judicial	18,949
Highways and streets, including depreciation of general infrastructure assets	17,945,534
Planning and development	1,120,406
Culture and recreation	217,845
Total depreciation expense – governmental activities	<u>\$ 21,526,363</u>
Business-type activities:	
Sewer	\$ 5,456,699
Public Levee	192,027
Sunflower Hills Golf Course	173,089
EMS	368,296
Stormwater Enterprise	30,744
BPU	32,217,516
Total depreciation expense – business-type activities	<u>\$ 38,438,371</u>

C. Interfund receivables and payables and transfers

The composition of interfund balances as of December 31, 2012, is as follows:

Interfund receivables and payables:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 3,986,843	\$ 2,085
Capital projects	719,640	1,635,076
Nonmajor governmental funds	425,966	1,647,336
Sewer enterprise fund	1,735,076	100,000
Nonmajor enterprise funds	-	1,066,316
Internal service funds	-	2,416,712
Total	<u><u>\$ 6,867,525</u></u>	<u><u>\$ 6,867,525</u></u>

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The interfund payables due from certain nonmajor governmental funds include amounts owed to the General Fund for the reimbursement of certain indirect costs.

The composition of interfund transfers for the year ended December 31, 2012, is as follows:

Transfers In:						
Transfers Out:	General	Capital Projects	Nonmajor Governmental	Sewer	Nonmajor Enterprise	Total
General	\$ -	\$ 195,555	\$ -	\$ -	\$ 39,558	\$ 235,113
Capital projects	724,027	-	567,689	100,818	-	1,392,534
Nonmajor governmental	982,121	3,219,167	334,457	-	402,786	4,938,531
Sewer	-	7,847,381	2,569,631	-	-	10,417,012
Nonmajor enterprise fund	2,256,000	101,320	571,341	-	-	2,928,661
	<u>\$3,962,148</u>	<u>\$11,363,423</u>	<u>\$ 4,043,118</u>	<u>\$ 100,818</u>	<u>\$ 442,344</u>	<u>\$ 19,911,851</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt services from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

D. Leases

Operating Leases

The Public Levee has leased facilities and land to various companies in the Fairfax Industrial District during its history. This continued during 2012 with leases of varying lengths. Effective January 1, 2013, a long-term management agreement was reached with a third party to redevelop the property. The agreement resulted with the majority of existing leases being assigned to the management company. This agreement has a 60 year term, resulting in a significant increase in the future payments than previously reported. Property leased under these agreements includes buildings and improvements with a cost of \$7,404,853 and accumulated depreciation of \$4,557,854 at December 31, 2012.

In November 2010, the Unified Government entered into a lease with the Kansas Speedway Corporation to lease 2,000 parking spaces for use in connection with the Sporting KC soccer stadium. Annual lease payments for use of the parking spaces are \$325,000, commencing in 2011. Annual rent payments shall be adjusted every five years by the cumulative and compounded percentage increase in the Consumer Price Index. The initial term of the lease is through December 31, 2031.

The following is a schedule of future minimum rentals to be received on non-cancelable operating leases by the Public Levee, and of future minimum rent payments to be made to the Kansas Speedway Corporation as of December 31, 2012:

Year ending December 31,	Public Levee lease receivable	Rent payments for parking
2013	\$ 432,923	\$ 325,000
2014	432,923	325,000
2015	432,923	325,000
2016	432,923	325,000
2017	432,923	325,000
Thereafter	12,284,753	4,550,000
Total	\$ 14,449,368	\$ 6,175,000

Capital Leases

The Unified Government has equipment under various capital leases. To account for financing leases, the Unified Government charges payments made during the fiscal period as debt service in governmental funds. In the year that the asset is received, the Unified Government records the present value of future lease payments as a capital outlay expenditure and as an offsetting other financing source. The present value of payments due in future periods is shown as a liability in long-term debt.

Assets acquired under capital lease consist of the following:

	Governmental Activities	Sewer	Sunflower Hills Golf Course	EMS
Plant and equipment	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	22,596,353	2,215,703	150,497	2,901,493
	<u>\$ 22,596,353</u>	<u>\$ 2,215,703</u>	<u>\$ 150,497</u>	<u>\$ 2,901,493</u>

Amortization of leased assets is included with depreciation expense on the Statement of Activities.

The future minimum lease obligation and the net present value of these minimum lease payments as of December 31, 2012, were as follows:

Year ended December 31,	Governmental	Business-type		
	Activities	Activities		
		Sewer	Sunflower Hills Golf Course	EMS
2013	\$ 2,378,127	\$ 470,601	\$ 32,053	\$ 271,504
2014	1,881,412	420,281	32,053	117,335
2015	1,279,394	394,975	32,053	13,831
2016	1,091,977	273,752	-	6,013
2017	489,884	208,093	-	-
2018-2021	<u>1,536,996</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total minimum lease payments	8,657,790	1,767,702	96,159	408,683
Less: Amount representing interest	<u>(849,133)</u>	<u>(84,735)</u>	<u>(3,686)</u>	<u>(8,991)</u>
Present value of minimum lease payments	<u>\$ 7,808,657</u>	<u>\$ 1,682,967</u>	<u>\$ 92,473</u>	<u>\$ 399,692</u>

E. Temporary Notes

Kansas law permits the issuance of temporary notes to finance certain capital improvement projects which will be refinanced with general obligation bonds. Prior to the issuance of the temporary notes, the governing body must take the necessary legal steps to authorize the issuance of general obligation bonds. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing, and have a maturity date not later than four years from the date of issuance. At December 31, 2012, the Unified Government had \$54,330,500 outstanding in temporary notes.

All temporary notes at December 31, 2012, have a maturity of no later than December 1, 2015 and have interest rates ranging from 0.24% to 1.00%.

Temporary note activity for the year ended December 31, 2012 was as follows:

Outstanding Jan. 1, 2012	Issued	Redeemed	Outstanding Dec. 31, 2012
\$ 50,480,500	\$ 47,800,000	\$ (43,950,000)	\$ 54,330,500

F. Long-term Liabilities

Summary of Long-Term Liabilities. The following is a summary of changes in long-term debt of the Unified Government for the year ended December 31, 2012:

	Outstanding January 1, 2012	Prior Period Adjustment	Additions	Deletions	Outstanding December 31, 2012	Due Within 1 Year
Governmental activities:						
General Obligation:						
General obligation bonds	\$ 187,645,750	\$ -	\$ 8,812,439	\$ 10,616,176	\$ 185,842,013	\$ 12,193,472
Tax Increment Financed GO bonds	35,069,968	-	-	1,443,751	33,626,217	784,587
Unamortized premium	6,922,896	-	370,639	637,165	6,656,370	-
Unamortized discount	(243,432)	-	-	(14,112)	(229,320)	-
Deferred refunding	(531,610)	-	-	(50,230)	(481,380)	-
Compensated absences	42,762,528	-	2,858,051	1,765,845	43,854,734	2,441,171
Capital leases	10,421,691	(660,598)	591,748	2,544,184	7,808,657	2,310,763
Claims and judgments	1,350,000	-	-	750,000	600,000	600,000
Unfunded pension obligation	295,359	-	6,551	38,366	263,544	-
Claims incurred but not reported	5,285,000	-	27,920,328	28,418,328	4,787,000	3,485,000
OPEB Liability	61,628,145	-	5,736,763	-	67,364,908	-
Landfill closure/post-closure	800,000	-	-	100,000	700,000	50,000
Total - General obligation	351,406,295	(660,598)	46,296,519	46,249,473	350,792,743	21,864,993
Limited Obligation:						
Section 108 loan	3,025,000	-	-	310,000	2,715,000	331,000
Special obligation bonds	7,725,000	-	14,560,000	260,000	22,025,000	265,000
Transportation development bonds	19,353,000	-	-	891,000	18,462,000	400,000
Sales tax obligation bonds	72,091,680	77,170,173	12,785,000	84,312,186	77,734,667	4,219,104
Accreted interest on bonds	5,986,343	4,865,357	3,582,319	745,355	13,688,664	470,117
Unamortized premium	-	-	1,095,021	45,626	1,049,395	-
Unamortized discount	(389,604)	-	(60,111)	(23,293)	(426,422)	-
Deferred refunding	(136,198)	-	-	(14,463)	(121,735)	-
Total - Limited obligation	107,655,221	82,035,530	31,962,229	86,526,411	135,126,569	5,685,221
Total	\$ 459,061,516	\$ 81,374,932	\$ 78,258,748	\$ 132,775,884	\$ 485,919,312	\$ 27,550,214
Business-type activities:						
General obligation bonds	\$ 40,859,282	\$ -	\$ 7,162,561	\$ 1,255,073	\$ 46,766,770	\$ 1,531,941
Unamortized premium	320,752	-	275,148	42,611	553,289	-
Deferred refunding	(164,873)	-	-	(15,579)	(149,294)	-
Capital leases	1,863,319	-	984,455	672,642	2,175,132	731,488
Sewer state revolving loan	11,273,779	-	180,459	1,435,354	10,018,884	1,450,461
Compensated absences	3,119,380	-	538,289	141,578	3,516,091	195,723
OPEB Liability	5,596,935	-	537,747	-	6,134,682	-
Subtotal	62,868,574	-	9,678,659	3,531,679	69,015,554	3,909,613
BPU revenue bonds	421,100,000	-	190,370,000	131,735,000	479,735,000	16,970,000
Capital leases	74,989	-	-	74,989	-	-
Unamortized discount and loss on refunding	(276,601)	-	(9,074,857)	(164,058)	(9,187,400)	-
Unamortized premium	7,635,602	-	27,519,260	3,201,098	31,953,764	-
State revolving loan	19,813,666	-	87,464	1,112,511	18,788,619	1,155,230
Compensated absences	5,825,000	-	1,313,000	1,182,000	5,956,000	1,182,000
Net pension obligation	7,110,202	-	6,795,326	4,326,004	9,579,524	-
OPEB Liability	2,740,484	-	4,382,240	3,819,000	3,303,724	-
Subtotal	464,023,342	-	221,392,433	145,286,544	540,129,231	19,307,230
Total	\$ 526,891,916	\$ -	\$ 231,071,092	\$ 148,818,223	\$ 609,144,785	\$ 23,216,843

Prior Period Adjustment. During 2012, the Unified Government noted that prior payments on capital leases were not properly recorded. These corrections resulted in a net increase to net position of \$660,598.

For the governmental activities, compensated absences, claims and judgments, the unfunded pension obligation, and the OPEB liability are generally liquidated by the general fund. Landfill closure and post closure care costs are expected to be liquidated by the Environmental Trust Fund.

Special Assessment and General Obligation Bonds. The remaining debt service requirements for general obligation and special assessment bonds will be paid from the respective bond and interest funds with future property tax revenues and special assessment taxes.

At December 31, 2012, the bonds outstanding for the Unified Government consisted of the following:

Description and Purpose	Amount of Original Issue	Range of Final Maturity Dates	Range of Interest Rates	Amount Outstanding Dec 31, 2012
2004 GO Bonds	38,095,000	2004-2018	2.00-5.00%	12,085,000
2005 GO Bonds	30,620,000	2006-2014	4.00-5.00%	7,150,000
2006 GO Bonds	39,685,000	2006-2025	4.00-5.50%	28,615,000
2007 GO Bonds	16,805,000	2007-2027	4.00-5.50%	7,600,000
2008 GO Bonds	34,660,000	2008-2028	3.50-7.00%	32,105,000
2009 GO Bonds	23,515,000	2009-2029	3.00-6.00%	21,555,000
2010 GO Bonds	110,330,000	2011-2031	0.70-5.70%	107,190,000
2011 GO Bonds	34,485,000	2012-2031	1.00-5.00%	33,960,000
2012 GO Bonds	15,975,000	2013-2022	1.00-4.00%	15,975,000
Total	<u>\$ 344,170,000</u>			<u>\$ 266,235,000</u>

Annual debt service requirements to maturity for bonds outstanding of the Unified Government are as follows:

Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2013	\$ 12,978,059	\$ 9,461,311	\$ 1,531,941	\$ 2,113,100
2014	20,308,696	8,830,509	1,521,304	1,966,954
2015	11,471,945	8,151,089	2,388,055	1,909,286
2016	11,824,567	7,734,416	2,460,433	1,819,894
2017	12,293,559	7,270,820	2,651,441	1,723,951
2018-2022	55,400,964	29,260,042	13,429,036	6,955,427
2023-2027	62,627,015	16,702,553	13,742,985	3,987,857
2028-2032	32,563,425	3,194,540	9,041,575	891,888
Total	\$219,468,230	\$90,605,280	\$ 46,766,770	\$21,368,357

The Series 2010D bonds were issued as taxable Build America Bonds pursuant to the American Recovery and Reinvestment Act of 2009, which provides that 35% of the interest payments on those bonds will be paid to the Unified Government by the U.S. Treasury. The Series 2010C and 2010F bonds were issued as taxable Recovery Zone Economic Development Bonds pursuant to the American Recovery and Reinvestment Act of 2010, which provides that 45% of the interest payments on those bonds will be paid to the Unified Government by the U.S. Treasury. The Series 2010G bonds were issued as taxable Qualified Energy Conservation Bonds. The Unified Government has elected to receive interest subsidy payments from the U.S. Treasury in an amount equal to the lesser of the amount of interest payable on each interest payment date, or 70% of the amount of interest which would have been payable with respect to the bonds if the interest were determined at applicable tax credit rates for the bonds. In 2012, the Unified Government received \$677,510 of interest subsidies related to these bonds.

Section 108 Loan. During 2000, the Unified Government entered into a loan agreement with the U.S. Department of Housing and Urban Development (HUD) for funding of \$6,040,000 for the construction of the new downtown hotel project.

Claims and Judgments. Various legal actions and claims against the Unified Government presently pending involve: personal injury (including workers' compensation claims), alleged discriminatory

personnel practices, property damages, civil rights complaints and other miscellaneous claims. The Unified Government generally follows the practice of recording liabilities resulting from claims and legal actions only when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Unfunded Pension Obligation. Reference Note IV.F. "Unified Government Plan" for further explanation.

The following schedule represents the annual payments required for Claims and Judgments and the Unfunded Pension Obligation and the Section 108 Loan:

Year ended December 31,	Claims and Judgments	Unfunded Pension Obligation	Section 108 Loan	
			Principal	Interest
2013	\$ 600,000	\$ 38,366	\$ 331,000	\$ 68,486
2014	-	35,681	355,000	64,050
2015	-	33,183	379,000	57,660
2016	-	30,860	406,000	49,322
2017	-	28,700	434,000	38,522
2018-2022	-	96,754	810,000	37,280
Total	\$ 600,000	\$ 263,544	\$ 2,715,000	\$ 315,320

Arbitrage Liability. In 1986, Federal law changed, making it illegal for an entity to issue tax-exempt debt, reinvest those proceeds in a tax-deductible instrument, and make an arbitrage profit on the differential in interest rates. A calculation was created which established the methodology for determining if the tax exempt debt proceeds were invested to yield a profit. If a profit exists, all of that profit must be paid to the U.S. Treasury. The Unified Government has bonds and temporary notes subject to arbitrage, but does not have an arbitrage liability as of December 31, 2012. Actual payments could differ from the estimate.

Sales Tax Limited Obligation Bonds. In March 1998, the Unified Government established the Prairie Delaware Redevelopment District. The District was created for development of a major tourism area, including the Kansas International Speedway. In connection with various projects in this District, the Unified Government has issued Sales Tax Limited Obligation Revenue Bonds (STAR bonds). Pursuant to issuance of the STAR bonds, the Unified Government and the State of Kansas entered into a Redevelopment District Tax Distribution Agreement. The agreement provides that the principal of, accreted value, and interest on the STAR bonds will be paid proportionally by the Unified Government and the State of Kansas, based on each entity's respective share of sales taxes generated within the District. The Unified Government's proportional share is approximately 28%. This proportional share may change in the future if the sales taxes assessed by the local or state governments are modified.

These bonds are special, limited obligations of the Unified Government, payable solely from revenues generated within the Redevelopment District. The bonds do not constitute a pledge of the full faith and credit of the Unified Government, and do not obligate the Unified Government to levy any form of taxation or to make any appropriation for their payment.

STAR Bonds With Annual Appropriation. Certain STAR bonds, as listed below, include an Annual Appropriation covenant. As issuer of the bonds, the Unified Government may, but is not obligated to, budget and appropriate local sales tax from outside the District to the extent that sales tax collections from the District are unavailable or insufficient for annual debt service requirements.

At December 31, 2012, STAR bonds outstanding with annual appropriation consisted of the following:

Description and Purpose	Amount of Original Issue	Range of Final Maturity Dates	Range of Interest Rates	Recorded with Unified Government Long-Term Liabilities				Total Accreted Value December 31, 2012
				Local Pledge	Local Accreted Interest	State Pledge	State Accreted Interest	
1999 KISC Bonds	\$ 24,300,413	2007-2027	4.20-5.25%	\$ 5,886,075	\$ 1,978,883	\$15,135,617	\$ 5,088,556	\$ 28,089,131
2004 Refunding Bonds	5,460,000	2007-2020	3.25-5.54%	1,058,400	-	2,721,600	-	3,780,000
2012 Refunding Bonds	12,785,000	2013-2016	2.00-5.00%	3,579,800	-	9,205,200	-	12,785,000
Total	\$ 42,545,413			\$ 10,524,275	\$ 1,978,883	\$27,062,417	\$ 5,088,556	\$ 44,654,131

Prior Period Adjustment. Prior to 2012, the Unified Government recorded its proportional 28% share of the outstanding obligation for each of these bond issues. During 2012, management of the Unified Government evaluated the recording of these bonds, and determined that a change in methodology was necessary to improve the financial reporting for these bonds. Due to the presence of the Annual Appropriation covenant, it was determined that the full amount of the outstanding bonds should be recorded with long-term debt of the Unified Government, along with any related transactions or account balances. A corresponding receivable was also recorded for the amount of the contractual pledge from the State of Kansas.

This change in methodology resulted in various adjustments to balances reported for January 1, 2012, including the following:

Governmental Activities

Restricted cash	\$ 20,570,495	Increase
Intergovernmental receivable	82,035,530	Increase
Sales tax obligation bonds liability	77,170,173	Increase
Accreted interest	4,865,357	Increase
Costs of issuance	2,107,030	Increase
Net position	22,677,525	Increase

Economic Development Fund

Restricted cash	20,570,495	Increase
Fund balance	20,570,495	Increase

This change also resulted in increases to the following amounts recorded for the year ended December 31, 2012 in the Economic Development Fund: a \$54,526,584 increase in revenues for additional revenue from bond proceeds, intergovernmental revenue and interest income, and an increase in total expenditures of \$70,214,685 for development and debt services expenditures

STAR Bonds With No Annual Appropriation. In 2010, the Unified Government issued new STAR bonds for a major multi-sport complex project. Pledged tax revenues for the 2010B bonds include only such state sales tax revenues collected by the State of Kansas and distributed on or before January 31, 2021. The amount of general state tax revenues that can be applied to the payment of the 2010B bonds is capped at \$144,500,000. After applying \$144,500,000 of payments to the 2010B bonds, the accreted value of any remaining 2010B bonds can be paid solely from the Unified Government's local sales and transient guest taxes located within the District. The bonds do not include an Annual Appropriation covenant. As such, the Unified Government has only recorded its 28% proportional share of the outstanding obligation for this bond issue.

At December 31, 2012, STAR bonds outstanding with no annual appropriation consisted of the following:

Description and Purpose	Amount of Original Issue	Range of Final Maturity Dates	Range of Interest Rates	Recorded with Unified Government Long-Term Liabilities				Total Accreted Value December 31, 2012
				Local Pledge	Local Accreted Interest	State Pledge	State Accreted Interest	
2010B Bonds	\$ 150,289,489	2021	6.07%	\$ 40,147,974	\$ 6,621,225	\$ 103,237,648	\$ 17,026,007	\$ 167,032,854
Total	<u>\$ 150,289,489</u>			<u>\$ 40,147,974</u>	<u>\$ 6,621,225</u>	<u>\$ 103,237,648</u>	<u>\$ 17,026,007</u>	<u>\$ 167,032,854</u>

Annual debt service requirements to maturity for these bonds are as follows:

Year ended December 31,	Principal	Interest
2013	\$ 4,219,104	\$ 1,830,197
2014	4,356,818	1,776,788
2015	4,491,597	1,706,688
2016	4,719,976	1,584,751
2017	1,531,734	1,418,931
2018-2022	48,221,485	44,442,687
2023-2027	<u>10,193,953</u>	<u>9,931,038</u>
Total	<u>\$ 77,734,667</u>	<u>\$ 62,691,080</u>

The 2010B bonds have "Turbo Redemption" provisions. Pledged tax revenues received in excess of amounts required for mandatory debt service payments or for various reserve account requirements will be used to redeem the bonds early. It is therefore expected that payment in full of principal on these bond series will be made earlier than their respective maturity dates.

Transportation Development District Sales Tax Revenue Bonds. The Unified Government has created transportation development districts under K.S.A. 12-14,140 through 12-17,149. Under statute, creation of such districts allows the Government to impose a transportation development district sales tax, not to exceed 1%, with the revenues received therefrom pledged to pay bonds issued for projects within the established districts. Bonds issued under these statutes are special, limited obligations of the Unified Government, payable solely from revenues generated within the transportation development districts. For the 2009 Happy Foods and 2011 Prescott Plaza bonds the Unified Government intends to budget and appropriate moneys sufficient to pay all the debt service payments on these bonds for the next succeeding fiscal year. The 2007 The Legends and 2007 NFM/Cabela's bonds do not constitute a pledge of the full faith and credit of the Unified Government, and do not obligate the Unified Government to levy any form of taxation or to make any appropriation for their payment.

Description and Purpose	Amount of Original Issue	Range of Final Maturity Dates	Range of Interest Rates	Amount Outstanding Dec 31, 2012
2007 The Legends	\$ 17,520,000	2007-2028	4.60-4.875%	\$ 14,965,000
2007 NFM/Cabela's	2,415,000	2007-2027	5.0%	1,420,000
2009 Happy Foods	400,000	2009-2014	6.5%	347,000
2011 Prescott Plaza	<u>1,930,000</u>	2011-2015	4.0%	<u>1,730,000</u>
Total	<u>\$ 22,265,000</u>			<u>\$ 18,462,000</u>

Annual debt service requirements to maturity for these bonds are as follows:

Year ended December 31,	Principal	Interest
2013	\$ 400,000	\$ 889,669
2014	902,000	858,529
2015	2,405,000	785,181
2016	735,000	719,171
2017	800,000	684,981
2018-2022	5,025,000	2,771,763
2023-2027	6,980,000	1,338,063
2028-2028	1,215,000	59,231
Total	<u>\$ 18,462,000</u>	<u>\$ 8,106,588</u>

Special Obligation Bonds. The Series 2010H and 2012C bonds were issued as special obligation annual appropriation bonds. The bonds are payable solely from the amounts budgeted or appropriated out of the income and revenue provided for such a year. The 2012 39th and Rainbow bond was issued as a special obligation tax increment revenue bond. The bond is payable solely from property tax and sales tax revenue generated in the redevelopment district and certain moneys on deposit under the bond indenture.

Description and Purpose	Amount of Original Issue	Range of Final Maturity Dates	Range of Interest Rates	Amount Outstanding Dec 31, 2012
2010H	\$ 7,725,000	2010-2021	2.0-4.5%	\$ 7,465,000
2012C	8,115,000	2012-2032	2.0-3.8%	8,115,000
2012 39 th and Rainbow	6,445,000	2012-2027	4.19%	6,445,000
Total	<u>\$ 22,285,000</u>			<u>\$ 22,025,000</u>

Annual debt service requirements to maturity for these bonds are as follows:

Year ended December 31,	Principal	Interest
2013	\$ 265,000	\$ 915,749
2014	270,000	888,117
2015	725,000	877,701
2016	1,020,000	852,638
2017	1,065,000	820,158
2018-2022	6,090,000	3,500,170
2023-2027	7,605,000	2,127,652
2028-2032	4,985,000	649,620
Total	<u>\$ 22,025,000</u>	<u>\$ 10,631,805</u>

Pledged Revenues. The Unified Government has pledged specific revenue streams to secure the repayment of certain outstanding debt issues. The corresponding debt issues are for projects described previously for Sales Tax Limited Obligation (STAR) Bonds and Transportation Development District (TDD) Sales Tax Revenue Bonds, as well as general obligation bonds issued to finance infrastructure and capital improvements in tax increment financing (TIF) districts. The following table lists those revenues and the corresponding debt issues, the amount and term of the pledge remaining, the current fiscal year principal and interest on the debt, the amount of pledged revenue recognized during the current fiscal year, and the approximate percentage of the revenue stream that has been committed:

<u>Issue(s)</u>	<u>Type revenue pledged</u>	<u>Amount of pledge</u>	<u>Term of commitment</u>	<u>Percent of revenue pledged</u>	<u>Principal & Interest for 2012</u>	<u>Pledged revenues recognized in 2012</u>
STAR bonds	Sales and transient guest tax	\$140,425,747	Through 2027	100%	\$89,534,899	\$61,108,119
TDD bonds	Transportation development district sales tax	26,568,588	Through 2028	100%	1,812,536	1,870,493
TIF GO bonds	Incremental increase in property tax	49,639,985	Through 2030	100%	2,215,900	1,862,605
TIF SO bonds	Incremental increase in property tax	8,989,881	Through 2027	100%	-	-

Proprietary Fund Revenue Bonds. At December 31, 2012, the various proprietary funds had the following bonds outstanding:

<u>Description and Purpose</u>	<u>Amount of Original Issue</u>	<u>Range of Final Maturity Dates</u>	<u>Range of Interest Rates</u>	<u>Amount Outstanding Dec 31, 2012</u>
Sewer System State Revolving Loan	\$ 13,816,268	2018	3.39-3.44%	\$ 10,018,884
Subtotal	<u>13,816,268</u>			<u>10,018,884</u>
BPU revenue bonds:				
2001 Series	17,170,000	2021	4.00-5.95%	10,215,000
2004B Series	115,535,000	2032	3.00-5.00%	2,680,000
2004 Refunding	126,005,000	2023	5.60-5.65%	106,015,000
2009A Series	57,575,000	2034	4.73-5.30%	53,700,000
2010 Refunding	32,190,000	2028	4.40-4.72%	27,780,000
2011 Series	90,000,000	2036	2.00-5.20%	88,975,000
2012 Refunding	110,830,000	2032	3.12-5.00%	110,830,000
2012B	<u>79,540,000</u>	2037	2.00-5.00%	<u>79,540,000</u>
Subtotal	<u>628,845,000</u>			<u>479,735,000</u>
Total	<u>\$ 642,661,268</u>			<u>\$ 489,753,884</u>

The revenue bond ordinances of the BPU require, among other things, that special reserves and accounts be established and maintained. Additionally, the ordinances require the BPU to establish rates and collect charges sufficient to pay the operating, maintenance and debt service costs of the utilities and to provide net operating income, before depreciation and payment in lieu of taxes, of at least 120% of the maximum annual debt service due on the outstanding bonds of the BPU. All of the BPU's utility plant facilities are pledged under the terms of the ordinances. The BPU was in compliance with the above requirements as of December 31, 2012.

The Unified Government has entered into four agreements with the State of Kansas, Department of Health and Environment. These agreements resulted in the State loaning money to the Unified Government's Water Pollution Control Division for the purpose of capital expenditures to improve the sewer system. Advances are made at the time for paying costs related to the approved loan. The State and Unified Government agreed on an amortization schedule for the entire amount of the loans. If the final loan amount is less than the approved total, an amended amortization schedule will be developed. The following chart represents the adopted amortization schedule and is not reflective of the amount actually borrowed and outstanding to date. The BPU also has a loan with the Kansas

Department of Health and Environment for the purpose of capital improvements to be repaid over 20 years ending 2027.

Annual debt service requirements to maturity for the proprietary funds loan and revenue bonds are as follows:

	Sewer System		BPU			
	State Revolving Loan		State Revolving Loan		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 1,450,461	\$ 388,384	\$ 1,155,230	\$ 633,178	\$ 16,970,000	\$ 22,353,773
2014	1,435,321	343,828	1,199,592	592,898	19,030,000	22,600,296
2015	1,481,317	297,832	1,245,660	551,069	19,865,000	21,663,401
2016	1,528,798	250,351	1,293,499	507,630	20,755,000	20,714,984
2017	1,560,181	201,337	1,343,179	462,521	21,405,000	19,818,701
2018-2022	4,170,521	490,404	7,530,601	1,572,839	118,995,000	82,466,509
2023-2027	1,399,079	51,967	5,020,858	321,257	96,885,000	54,104,485
2028-2032	-	-	-	-	108,900,000	29,711,200
2033-2037	-	-	-	-	56,930,000	7,002,713
Total	<u>\$13,025,678</u>	<u>\$ 2,024,103</u>	<u>\$18,788,619</u>	<u>\$ 4,641,392</u>	<u>\$479,735,000</u>	<u>\$280,436,062</u>

In May 2012, the BPU has entered into a Kansas Public Water Supply loan fund agreement, which the amount is not to exceed \$12.3 million. As of December 31, 2012, the BPU has drawn approximately \$87,000 of the \$12.3 million. The projects funded by this loan consist of a 4MG reservoir at the Nearman Water Treatment Plant and various waterline replacement projects. The projects are scheduled to be completed by the end of 2013, with all reimbursements for this loan settled by the end of the first quarter of 2014.

BPU has pledged specific revenue streams to secure the repayment of certain outstanding debt issues. The corresponding debt issues are for utility system revenue bonds and the purpose of the debt is for the utility improvements. The following table lists those revenues, the amount and term of pledge remaining, the current year principal and interest on the debt, the amount of pledged revenue recognized during the current fiscal year, and the approximate percentage of the revenue stream that has been committed:

Issue(s)	Type revenue pledged	Amount of pledge	Term of commitment	Percent of revenue pledged	Principal & Interest for 2012	Pledged revenues recognized in 2012
Sewer State Revolving Loan	Net operating revenue of the Sewer Fund	\$ 15,049,781	Through 2024	100%	\$ 1,779,149	\$ 8,945,471
BPU debt issues	Electric and Water operating revenues	\$760,171,062	Through 2037	12.5%	\$36,295,726	\$43,554,871

Refundings of Long-Term Debt. In October 2012, the Unified Government issued \$12,785,000 in Subordinate lien Series 2012 sales tax special obligation bonds with interest rates of 2.0-5.0%, to current refund \$17,005,000 of Subordinate Lien Series 2001 bonds maturing in December 2020. The Unified Government refunded these bonds to reduce its total debt service payments over a period of 8 years and will realize a net savings of \$2,984,091 in debt service payments, with a present value savings of \$2,778,643.

In 2012, the BPU issued \$110.8 million of Utility System Refunding Revenue Bonds. The bond proceeds were used to refund all of the 1998 System Revenue Bonds (\$9,735,000) and a portion of the 2004B Sys Revenue Bonds (\$101,095,000). The aggregate savings in debt service between the refunded debt and the refunding debt was \$11.8 million and resulted in a net present value economic gain of \$8.7 million. The Series 2012A refunding bond bears an average interest rate at 4.78% and is payable over 20 years. The BPU recognized \$9.1 million in unamortized debt expense as result of the bond refunding.

The BPU completed a defeasement of utility systems revenue bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old 2004B Utility System Revenue Bonds. Accordingly, neither the trust account assets nor the liability for the defeased bonds are included in the BPU's financial statements. At December 31, 2012, outstanding utility system revenue bonds in the amount of \$114,789,142 are considered substantively defeased.

G. Non-Obligatory Debt

Conduit Debt. The Unified Government has issued revenue bonds not directly obligated by the Unified Government which are generally used to finance construction or renovation of facilities on government land or the acquisition of equipment. The bonds are paid solely from revenues generated from entities for whom the bonds are issued. The total amount at December 31, 2012 was \$515,845,986 for the Industrial Revenue Bonds, \$103,237,648 for Sales Tax Special Obligation Revenue Bonds, \$528,776,057 for the Single Family and Collateralized Mortgage Revenue Bonds, and \$4,420,000 for Multifamily Housing Revenue Bonds. These bonds do not constitute an indebtedness or pledge of the faith and credit of the Unified Government, and accordingly have not been reported in the accompanying financial statements.

H. Landfill Closure and Postclosure Care

In 2004, the Kansas Department of Health and Environment (KDHE) issued an administrative "Order to Comply" to the Unified Government alleging the need for investigations into the alleged release of hazardous substances found to exist at the John Garland Park Landfill, which was operated from 1972-1974 by a third party and has been closed since then. The Unified Government conducted, with KDHE approval, certain investigations and conducted or prepared work plans for conducting in the future, certain remedial activities. In March 2008, the Unified Government and KDHE entered into a Consent Agreement requiring certain landfill closure activities, including annual landfill cap maintenance, periodic groundwater monitoring through the year 2025, and conversion of an existing passive landfill gas extraction system to an active gas extraction system. The Unified Government has recorded a liability of \$700,000 as the estimated cost for the remaining monitoring activities through 2025. The cost estimates are subject to change due to inflation, deflation, technology, laws and regulations. The Environmental Trust Fund will provide the primary source of funding for these costs.

I. Restricted assets

The balances of the restricted asset accounts are as follows:

General fund: master leases	\$ 146,034
Capital projects fund: GO proceeds	6,866,768
Nonmajor governmental funds:	
STAR/TDD bonds	4,020,722
Customer deposits-BPU	3,444,816
Revenue Bonds:	
State Revolving Loan	2,678,746
BPU revenue bonds:	
Debt service account	16,752,027
Improvement and emergency account	1,500,000
Construction funds	<u>48,846,559</u>
Total restricted assets	<u>\$ 84,255,672</u>

J. Fund Balances

A summary of the components of fund balance reported in governmental funds, by purpose, is as follows:

	General	Capital Projects	Debt Service Economic Development	Nonmajor Govern- mental	Total
Nonspendable:					
Notes receivable	\$ --	\$ --	\$ --	\$ --	\$ --
Restricted for:					
General government	--	--	--	1,569,978	1,569,978
Public works	--	--	--	997,513	997,513
Public safety	--	--	--	3,857,735	3,857,735
Judicial	--	--	--	972,109	972,109
Health & welfare	--	--	--	2,081,484	2,081,484
Planning & development	751,740	--	--	1,840,215	2,591,955
Parks & recreation	--	--	--	118,600	118,600
Capital outlay	--	--	--	826,153	826,153
Debt service	--	--	8,903,117	3,155,201	12,058,318
Committed to:					
Public safety	--	--	--	140,218	140,218
Health & welfare	--	--	--	259,796	259,796
Planning & development	--	--	--	432,672	432,672
Parks & recreation	560,204	--	--	--	560,204
Assigned to:					
General government	968,143	--	--	--	968,143
Public works	92,564	--	--	--	92,564
Public safety	498,021	--	--	--	498,021
Judicial	23,743	--	--	--	23,743
Planning and Development	46,875	--	--	--	46,875
Unassigned	16,527,952	(13,123,928)	--	(2,251,883)	1,152,141
Total	\$ 19,469,242	\$ (13,123,928)	\$ 8,903,117	\$ 13,999,791	\$ 29,248,222

IV. OTHER INFORMATION

A. Risk Management

The Unified Government's insurance coverage consists of both self-insurance and policies maintained with various carriers. Exposure to various risks associated primarily with weather related incidents such as wind, hail and storm damage is covered by property insurance. There have been no settlements in excess of insurance coverage during any of the prior three fiscal years. There has been no significant change in insurance coverage from the previous fiscal year.

Accident and Health. The Unified Government is both self-insured and fully insured for accident and health claims. Claims for Unified Government employees (except for BPU employees) are administered through a third party administrator for the Unified Government's self-insured plan. Premiums are paid by employer and employee contributions into an internal service fund and are available to pay claims and costs of an administrative service agreement. An excess insurance policy covers individual claims in excess of \$190,000. Incurred but not reported claims of \$1,787,000 have been accrued as a liability. In 2012, \$26,729,796 was paid for claims and administrative costs. The outstanding claims liability is calculated from historical data and future expectations. This includes an estimated liability for known claims as well as an estimated liability for claims incurred but not reported. The BPU is self-insured on essentially up to 100% of their health claims.

Workers' Compensation. The Unified Government is self-insured for workers' compensation. Premiums are paid from the general fund into an internal service fund and available to pay claims, claim reserves and administrative costs of the program. During 2012, a total of \$1,688,532 was paid in benefits and administrative costs from the fund. An excess coverage insurance policy covers individual claims in excess of \$750,000. Incurred but not reported claims of \$3,000,000 have been accrued as a liability. The Unified Government attorney makes significant estimates in determining amounts of unsettled claims under the self-insurance program. The outstanding claims liability is calculated from historical data and future expectations. This includes an estimated liability for known claims as well as

an estimated liability for claims incurred but not reported. The BPU is self-insured to the first \$350,000 per employee / per occurrence for workers' compensation. Claims exceeding \$350,000 and up to \$35,000,000 per employee / per occurrence are fully insured.

General Liability. The Unified Government is also self-insured for liability claims with no premium paid to any insuring firm. All liability claims are reviewed, challenged if appropriate, and processed for payment at the agreed amount by the Legal Department. Kansas statutes limit the liability in tort cases to \$500,000.

The following is a summary of the changes in the unpaid claims liability:

	<u>Workers' Compensation</u>	<u>Health Insurance</u>	<u>General Liability</u>	<u>BPU</u>
December 31, 2010 Liability Balances	<u>\$ 4,712,000</u>	<u>\$ 1,598,000</u>	<u>\$ 1,675,000</u>	<u>\$ 2,860,000</u>
Claims and changes in estimates	491,571	24,336,715	314,345	11,079,429
Claim payments	<u>(1,753,571)</u>	<u>(24,099,715)</u>	<u>(639,345)</u>	<u>(11,119,429)</u>
December 31, 2011 Liability Balances	<u>\$ 3,450,000</u>	<u>\$ 1,835,000</u>	<u>\$ 1,350,000</u>	<u>\$ 2,820,000</u>
Claims and changes in estimates	1,238,532	26,681,796	--	11,863,000
Claim payments	<u>(1,688,532)</u>	<u>(26,729,796)</u>	<u>(750,000)</u>	<u>(11,825,000)</u>
December 31, 2012 Liability Balances	<u>\$ 3,000,000</u>	<u>\$ 1,787,000</u>	<u>\$ 600,000</u>	<u>\$ 2,858,000</u>

B. Commitments and Contingent Liabilities

Litigation. The Unified Government is a defendant in various legal actions pending or in process for tax appeals, property damage and miscellaneous claims. The ultimate liability that might result from the final resolution of the above matters is not presently determinable. Management and the Unified Government's counsel are of the opinion that the final outcome of the cases will not have an adverse material effect on the Unified Government's financial statements.

Health Insurance Contributions. From 2009-2011, the Unified Government suspended making certain employer contributions to the Self-Insured Health Care Fund from the County General Fund. During 2012, the Unified Government resumed full contributions to the Self-Insured Health Care Fund. As of December 31, 2012, the governing body and management have not made a formal commitment to fund these payments in future years, and there is no requirement that these amounts must be paid to the Self-Insured Health Care Fund. However, the amount is monitored and reviewed on an annual basis, and considered when preparing the County General Fund's budget. During 2012, this process did result in additional funding by \$200,000 from the County General fund to the Self-Insured Health Care Fund. For the years ended December 31, 2012 the cumulative amount of employer contributions that were not budgeted or paid totaled approximately \$4.6 million.

Economic Development Activities. The Unified Government has established tax increment financing (TIF), transportation development districts (TDD) and community improvement districts (CID) as allowed by state statutes. Incremental property and sales taxes generated in the districts are pledged to developers to repay certain costs incurred by the developers. Under these agreements, the Unified Government is under no obligation to pay the developer for any shortfall, should the incremental revenues generated not be sufficient to fully reimburse 100% of the costs incurred by the developer. The remaining certified project costs to be repaid as of December 31, 2012 totals \$19,489,495.

Federal Consent Decree. On May 20, 2013, the United States District Court for the District of Kansas entered a Partial Consent Decree ("PCD") between the Unified Government and United States

Environmental Protection Agency. The State of Kansas was a defendant in the PCD along with the Unified Government. The PCD requires the development of an Overflow Control Plan (OCP) by September 2016, as well as enhanced operation and maintenance of the Unified Government's sewer and storm sewer systems. Implementation of the OCP will be addressed via a modification of the PCD, likely sometime during 2017. In addition, the PCD requires the Unified Government to implement approximately \$20 million of ongoing sewer improvement projects in its 5-year capital improvement plan. The PCD does not impose any civil penalty but does provide for stipulated penalties if the Unified Government either fails to perform or is late performing required activities.

The costs to comply with the PCD are expected to be in the multi-million dollar range. The respective sanitary and storm sewer enterprise funds have had rate adjustments for each of the past four years in anticipation of the work that is required under the PCD. Both of these funds have strengthened fund balances in anticipation of future debt. The sewer and storm enterprise funds ended 2012 with a combined budgetary fund balance of \$11.4 million or 40% of their total 2012 expenditures.

Environmental Matters. The Unified Government is subject to various laws and regulations with respect to environmental matters such as underground storage facilities and air and water quality. The cost of complying with existing and future changes to laws and regulations cannot be estimated; however, compliance with such laws and regulations may necessitate substantial expenditures.

Unified Government management also expects to make future capital improvements related to fire suppression and other life safety code requirements. Costs related to these projects have yet to be determined, but are expected to be significant.

The BPU is subject to substantial regulation of air emissions and control equipment under federal, state, and county environmental laws and regulations. Nationwide, utilities with coal-fired generating units have been under heavy scrutiny and enforcement by the U.S. Environmental Protection Agency (EPA) and Department of Justice for matters related to permitting of modifications to those coal-fired units. This is referred to as "new source review permitting."

In 2007, the BPU received from the EPA a Clean Air Act section 114 information request seeking information about the types of projects that have been the subject of new source review permitting investigations. BPU responded to the information request. On November 25, 2008, the BPU received a Notice of Violation of certain Clean Air Act regulations with respect to new source review permitting matters. On December 19, 2008, the BPU received a supplemental Clean Air Act Section 114 information request to the 2007 information request. BPU has responded to the supplemental information request. The BPU has evaluated the EPA findings and has had preliminary discussions with the EPA regarding the Notice of Violation. At this time, the EPA has not filed a lawsuit. Management does not know the impact that these alleged violations of the Clean Air Act regulations will have on the BPU; however, the BPU could be subject to fines and/or penalties and the amounts of any such fines and/or penalties could be material. The Notice of Violation states such finds and/or penalties could be as much as \$25,000 to \$32,500 per day (depending upon when the violation occurred) commencing from date of the violation. The EPA alleges that such Clean Air Act violations at the Nearman Station commenced in 1994 and at the Quindaro Station in 2001. The BPU could also be required to make material capital expenditures for air pollution control equipment as a result of resolution of the alleged violations, which could cost hundreds of millions of dollars. The EPA has issued notices to many utilities alleging violation of new source review permitting. To date, the settlements of those notices have included penalties much less than \$25,000 to \$32,500 per day but have included requirements for significant capital expenditures for air pollution control equipment. BPU is not presently able to evaluate what, if any, liability might be imposed and has not accrued anything for this possible obligation.

The federal Clean Air Act makes provision for citizens to file suit against regulated entities for failure to comply with certain provision of the Clean Air Act or with permits issued under the Clean Air Act.

Citizen suits are filed with some regularity against utilities with coal-fired generating units by various national and local groups.

By letter dated July 16, 2012, the Utility and the Unified Government of Wyandotte County/Kansas City, Kansas received from legal counsel for the Sierra Club notice of intent to sue under the citizen suit provisions of the federal Clean Air Act, 42 U.S.C 7604. The letter alleges that since July 1, 2007, there have been violations of the opacity emissions limits for the Quindaro plant and Nearman plant boilers set forth in the Class I Air Operating Permit for each plant and the letter states that the Sierra Club intends to sue the Utility to enjoin the alleged violations and to seek civil penalties. The Clean Air Act, 42 U.S.C § 7604(a)(1) provides that any person may commence a civil action in the appropriate United States District Court against any person alleged to have violated or to be in violation of an emission standard or limitation established under the Clean Air Act. The Class I Operating Permits are issued under authority of the Clean Air Act. The Clean Air Act further provides that the district courts may enforce the emission standard or limitation and apply any appropriate civil penalty. The Clean Air Act precludes citizens from filing suit until 60 days after proper notice to the alleged violator and to state and federal authorities. The Sierra Club has not filed suit and instead had made an offer of settlement of the allegations. A consent decree was negotiated and approved on June 20, 2013, requiring certain changes in operations at the Quindaro and Nearman plants. Such requirements are consistent with the BPU's current business plan and with upcoming new clean air regulatory requirements.

Encumbrances. At December 31, 2012, the Unified Government had the following outstanding encumbrances:

General	\$ 1,746,333
Capital Projects	17,361,572
Sewer	4,017,251
Nonmajor Governmental	7,754,684
Nonmajor Enterprise	<u>1,286,451</u>
Total	<u>\$ 32,166,291</u>

Grants. Intergovernmental grant awards are subject to audit and adjustments by funding agencies. Award revenues received for expenditures that are disallowed are repayable to the funding agency. In the opinion of management, any amounts that may ultimately be refunded would not have a material impact on these general purpose financial statements.

Power Purchase & Sales Agreements. In 1982 and 1983, the BPU entered into power agreements with the Kansas Municipal Energy Agency (KMEA) and the City of Columbia, Missouri (Columbia). The agreements entitle KMEA and Columbia to purchase 15.86% and 8.51%, respectively, of the net available capacity of the BPU's Nearman power station. The power agreements obligate KMEA and Columbia to pay a demand charge for kilowatts purchased, a fuel charge, operation and maintenance charges, and the PILOT for their respective power purchases. The power sales agreement with KMEA expires in 2022 or the deactivation of Unit No. 1 of the Nearman Station. On April 26, 2012, the city of Columbia, Missouri notified BPU of its intent to terminate the participation Power Sales Agreement at BPU's Nearman Station effective April 26, 2013. In 2012, revenue from Columbia is \$4.8 million. The contracted 20 MW of electrical output will then be available for BPU's service territory. Total revenue from the power sales agreements for the year ended December 31, 2012 was \$9,545,384 and is included in other revenues in the statements of revenues, expenses, and changes in net position.

On November 1, 2006, BPU entered into an agreement with Tenaska Power Services Company (Tenaska) to both purchase and market excess wholesale energy for BPU. The BPU's wholesale purchases and sales through Tenaska for the year ended December 31, 2012 are summarized as follows:

	<u>2012</u>
Purchased power	\$ 15,535,872
Wholesale sales	391,257

On December 21, 2006, the BPU entered into a Renewable Energy Purchase Agreement with TradeWind Energy to receive 25% of the energy output of Phase 1 of the Smoky Hills Wind Farm. This contract is a 20-year fixed price contract for 25% of the output of 100.8 MW of turbines as well as the Renewable Energy Credits associated with the output. The wind farm, which was built approximately 25 miles west of Salina, Kansas in Lincoln and Ellsworth Counties in Kansas, began commercial operation in January 2008. Total power purchased under this agreement was \$3,906,749 in 2012.

On November 3, 2010, the BPU entered into an agreement with Lawrence, Kansas based The Bowersock Mills and Power Company to purchase 7 MW of hydroelectric power over the next 25 years, providing additional renewable energy resources to BPU's existing power generating mix. The agreement became fully operational in 2013.

The BPU has determined these purchase contracts to be excluded from the scope of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as these are normal purchase contracts.

Coal Contracts. The BPU purchases coal for the Nearman and Quindaro generating stations through contracts with Western Fuels Association (WFA) and affiliates. WFA, in turn, contracts with coal producers and railroads to meet its coal supply and delivery commitments to the BPU. The BPU is required to pay all costs incurred by WFA in acquiring and delivering the coal as well as a per ton management cost.

The delivery of the coal to the Nearman Station and Quindaro Station is covered by contracts between WFA and the Union Pacific Railroad. This contract expires December 31, 2014. The cost to deliver the coal is established from a base price and is adjusted by indices set out in the contract.

The coal is purchased through a contract between WFA and the BPU, which continues through December 31, 2017. The purchase price of the coal is based on WFA's cost of acquiring and delivering coal. Contracted coal purchases for the Nearman and Quindaro Stations are approximately \$53,300,000 and \$56,000,000 for 2013 and 2014, respectively. Any additional coal required will be bought on the spot market.

The BPU has determined these coal contracts to be excluded from the scope of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as these are normal purchase contracts.

Brushy Creek Coal Company and Liberty Coal Company. The BPU holds an indirect 50% interest in Brushy Creek Coal Company (BCCC) and a 50% indirect interest in Liberty Coal Company (Liberty). The other 50% interest is indirectly owned by the City of Sikeston, Missouri (Sikeston). BCCC was the owner and operator of a coal mine and related equipment located in Illinois. BCCC discontinued mining operations in 1997. BCCC did not have material operations during the years ended December 31, 2012. Upon cessation of operations at BCCC, the BPU became contractually responsible for 50% of asset retirement obligations and for 50% of certain postretirement benefits to mine workers. At December 31, 2012, the BPU has recorded an estimated liability of \$2.6 million, within accrued claims payable for its estimated remaining share of these obligations. Funding provided for these obligations was \$240,000 in 2012.

The amounts recorded for the BPU's portion of the asset retirement obligation and the miners' benefits require significant judgment and involve a number of estimates. The BPU has recorded its estimated obligations for each of these items using information currently available to management. These estimates could change significantly over time.

Liberty, a Colorado limited liability company, was formed in 2002 for the purpose of opening a new mine. Western Fuels Illinois, through its ownership of BCCC, owns the land and coal at the mine and

has assigned these interests, along with related equipment through a lease agreement, to Liberty. On July 13, 2006, Liberty indefinitely suspended operations. Liberty filed for bankruptcy protection on November 29, 2006 under Chapter 7 of the bankruptcy code. The bankruptcy plan contemplated a liquidation of assets. The bankruptcy trustee evaluated various strategic options, which included, but were not limited to, pursuing potential buyers for Liberty's assets. There can be no assurances that such a buyer will be identified or a sales transaction will be completed.

Based upon information available to the BPU, management estimated that claims from Liberty's creditors could exceed its assets. BPU, after consultation with outside legal counsel, believed that in the event the liquidation of Liberty's assets did not provide sufficient funds to satisfy Liberty's outstanding obligations, the unpaid creditors had no recourse to seek amounts from the BPU. In May 2008, the bankruptcy trustee filed a complaint against several defendants, including the BPU, seeking \$4 million to pay the remaining unsecured liabilities. The Bankruptcy Court granted a summary judgment in favor of the BPU and the other defendants. In December 2010, all parties entered into a Settlement Agreement.

On January 27, 2011, the United States Bankruptcy Court for the Southern District of Illinois issued an Order approving the settlement in Adv. No. 08-04045, *Frazier v. Sikeston Board of Municipal Utilities, et al.* The BPU continued to monitor the bankruptcy proceedings, which have now been completed without any further BPU liability. Accordingly, management does not believe this matter will materially impact the BPU's financial condition or results of operations.

C. Multi-Sport Stadium and Office Campus Projects.

During 2010, the Unified Government entered into a Multi-Sport Stadium Specific Venture Agreement with Kansas Unified Development, LLC (Developer) to construct, develop, complete and operate a major, multi-sport athletic complex including a stadium facility that will be the home field for Sporting KC within the Village West Redevelopment Area. The construction is primarily being funded from proceeds of the Series 2010B STAR bonds. Additionally, under a Land Transfer and Specific Venture Agreement, Cerner Corporation (Cerner) will acquire land from the Unified Government within the Village West Redevelopment Area to construct, develop, complete and operate 600,000 square feet of Class A office buildings. Certain components of the Agreements affect the Unified Government's financial statements as follows:

The site for the stadium project was sold to the Developer at its appraised fair market value, or \$3,600,000, to be paid in 11 annual installments, the first of which was received in December 2010.

The site for the office project was sold to the Developer at its appraised fair market value, or \$4,400,000, to be paid in 11 annual installment, the first of which is due July 1, 2015.

Supplemental Land Payments will also be paid to the Unified Government by the developer, in an aggregate amount equal to \$18,000,000, less the amounts paid as noted above for the stadium and office sites. The first payment is due July 1, 2015.

As of December 31, 2012, a note receivable for \$16,363,637 has been recorded for all of the above payments, net of a discount of \$5,479,425.

The agreement with Cerner imposes obligations on Cerner regarding construction of the office project and the creation of jobs. In the event that certain of the payroll and job creation obligations of the agreement are not met, the Developer has an obligation to pay the Unified Government an "Office Payment Obligation" as defined in the Multi-Sport Stadium Specific Venture Agreement. This obligation totals \$30,410,610 (payable in 10 equal installments from 2017 to 2026). This amount has not been recorded as a receivable in the Unified Government's financial statements as of December 31, 2012, as it is not yet determinable whether Cerner will meet the payroll and job creation obligations.

Payments owed to the Unified Government by the Developer as outlined above are guaranteed by the entity that owns the Kansas City Wizards, as well as five individual guarantors who have control voting rights to a majority of the outstanding stock of the Developer and the entity that owns the Kansas City Wizards.

D. Jointly governed organizations and other related organizations

KCK Hotel Group, L.L.C. The Unified Government is one of three parties who have invested in the KCK Hotel Group, L.L.C. (KCK Hotel), which is responsible for the development, ownership and operation of a downtown hotel, civic center and related facilities including an office building, garage and adjoining common areas. The Unified Government contributed \$5,000,000, mostly from an Empowerment Zone Grant from the Federal government, to obtain a 49.95% membership interest in KCK Hotel. The Unified Government also provided a \$6,040,000 loan to KCK Hotel, financed by a Section 108 loan from the U.S. Department of Housing and Urban Development. The loan agreement with KCK Hotel was entered into in February 2001, and calls for a repayment schedule based on a 25-year amortization, with a balloon payment at the end of 20 years. The agreement provides credits of \$200,000 per year for 10 years. Beginning in 2003 and continuing through 2012, the Unified Government is also providing debt service credits for 85% of the real estate taxes paid by the hotel. Both credits effectively reduce the amount of the loan that the Unified Government can expect to be repaid. Therefore due to this, and past operating performance of the hotel, at December 31, 2008 the loan receivable from KCK Hotel was written down to \$0 reflect the estimated loan payments to be collected over the term of the loan. The other two members in KCK Hotel contributed funding in accordance with the memorandum of understanding, and one also acts as the manager of KCK Hotel.

Gross receipts from hotel operations are used first for payment of operating expenses, then to fund an equipment reserve, and finally for debt service requirements on the loan with the Unified Government. KCK Hotel members receive distributions on their ownership interests only after all other payment requirements have been met. In May 2004, the members of KCK Hotel entered into a new funding agreement to provide additional infusions of funds to the hotel. The Unified Government has paid debt service payments for the KCK Hotel's Home Rule Bonds since December 2004. Similar additional advances may be required in future years. In 2009, the remaining balance of the Home Rule Bonds was refinanced with temporary notes issued by the Unified Government, which are included in the balance of temporary notes on the governmental funds balance sheet.

Because KCK Hotel is a separate legal entity controlled by its three members, it is considered a joint venture under accounting principles generally accepted in the United States of America. The Unified Government's investment in this joint venture has no value as of December 31, 2012. Separately issued financial statements for the joint venture are available from the Unified Government at 701 North 7th Street, Kansas City, KS 66101

Dogwood Energy Facility (Dogwood). On December 18, 2012, the BPU acquired an undivided 17% interest in the assets of the Dogwood Energy Facility (Dogwood), a natural gas-fired combined cycle generating plant located in Pleasant Hill, Missouri in Cass County, Missouri, operated by Dogwood Energy, LLC.

The BPU's share of the rated capability of Dogwood is approximately 110 megawatts (MW). The rated capability of Dogwood is 630 MW. The BPU's net utility plant investment, excluding fuel was approximately \$67.8 million as of December 31, 2012. Generation from Dogwood and operating expenses incurred by Dogwood are allocated to the BPU at our 17% ownership interest. The BPU is required to provide its share of financing for any capital additions to Dogwood.

The BPU has an operating agreement with Dogwood Energy, LLC, which provides for a management committee comprising one representative and an alternate from each participant. Dogwood Power Management, LLC, the project management company controls the operating and maintenance

decisions of Dogwood in its role as operator. The BPU and other participating entities have joint approval rights for the annual business plan, the annual budget, and material changes to the budget.

The BPU applied proportionate consolidation rules to record its undivided ownership interest in this facility. The BPU's investment includes an acquisition adjustment of \$34.8 million, which is presented as property, plant, and equipment and amortized over the estimated remaining life of the plant (29.1 years). The BPU paid 15 years of Payment-in-lieu of taxes (PILOT) to Cass County, Missouri in the amount of \$2.5 million. This was recorded as a prepayment and is being amortized over 15 years.

The BPU Board of Directors has approved the recovery of amounts invested in this facility, including the acquisition adjustments in current rates.

E. Employee retirement systems and pension plans

There are five contributory defined benefit retirement plans covering substantially all of its employees. The Unified Government was required to make contributions to four of the plans for the year ended December 31, 2012.

KPERS and KP&F. Plan description. The Unified Government participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et.seq. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERS (611 S. Kansas Avenue, Suite 100; Topeka, KS 66603-3803) or by calling 1-800-275-5737.

Funding Policy. K.S.A. 74-4919 law establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. The KPERS member-employee contribution rates are 4% of covered salary for Tier 1 members and 6% of covered salary for Tier 2 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates. The KPERS employer rate established by statute for 2012 was 8.59%. The Unified Government's contributions to KPERS for the years ending December 31, 2012, 2011 and 2010 were \$4,853,592, \$4,509,345, and \$4,088,923 respectively, equal to the statutory required contributions for each year. The KP&F uniform participating employer rate established for fiscal years beginning in 2012 is 16.54% for Sheriff's department personnel and 20.35% for Police and Fire department personnel. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The Unified Government's contributions to KP&F for the years ending December 31, 2012, 2011 and 2010, were \$11,950,741, \$10,454,858, and \$8,861,752, respectively, equal to the statutory required contributions for each year.

BPU Plan. Plan Description. The Employees' Retirement Pension Plan (the Plan) of the BPU is a single employer, contributory defined benefit pension plan. The Plan issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained from the Board of the Pension Trustees of the Plan. The Plan is governed by State Statutes which in essence provide for the establishment of a Board of Pension Trustees and provides authorization for the Plan to take control and custody of all assets, property, and funds presently held, controlled, and in the possession of the Plan's Board of Pension Trustees. The BPU's total payroll for

the year ended December 31, 2012 was approximately \$51,357,000 of which approximately \$50,890,000 was payroll of Plan participants.

BPU employees who retire at or after age 55 are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.2% of their average compensation multiplied by the years of credited service through December 31, 2003, and 1.8% of their average compensation multiplied by the years of credited service after December 31, 2003 (Tier 1). Average annual compensation is defined as actual compensation paid, including overtime, but excluding workers' compensation, severance pay, and bonuses, averaged over the three 12-month periods (not necessarily consecutive periods) out of the last 120 months that produce the highest average. On January 1 of each year after retirement, the monthly benefit is increased by 3%, prorated for the number of months in the first retirement year. The Plan also provides death benefits. It is a governmental plan and, therefore, not subject to the Employee Retirement Income Security Act of 1974. Because the Plan has established a Board of Pension Trustees in accordance with Kansas state statutes, neither the BPU nor the Unified Government act in a fiduciary or trustee capacity for the Plan, and as such, the Plan's financial activities are not reported in the BPU's financial statements.

The Pension Board adopted a new plan design (Tier 2) for members hired on or after January 1, 2010. The new plan design is a career average defined benefit plan. As of January 1, 2012, there were 76 members in Tier 2. For Tier 2 employees, normal retirement is defined as age 65 with completion of 5 years of creditable service, or age 60 with 30 years of creditable service. The pension is equal to 1.5% of the sum of the member's pensionable wages during each year. Before attaining age 65 with 5 years of creditable service or age 60 with 30 years of creditable service, a member can receive an early retirement benefit at age 55 with 10 years of creditable service.

Funding Policy. Funding is provided by contributions from Plan members and the Board based on rates established by the Board of Pension Trustees.

Total contributions were \$8,652,008 for the year ended December 31, 2012. Of the total contributions, the BPU contributed \$4,326,004 (8.5% of current covered payroll in 2012), and the Plan participants contributed \$4,326,004 (8.5% of current covered payroll for 2012). The annual pension cost is net of employee contributions.

There were 740 retirees and beneficiaries currently receiving benefits as of January 1, 2012. The Plan uses the accrual basis of accounting. Investments are reported at fair value. Securities traded on a national or international exchange, which comprise a substantial majority of total investments, are valued at the last reported sales price at current exchange rates.

Three-year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
December 31, 2010	\$ 5,465,187	76.02%	\$ 5,881,819
December 31, 2011	5,475,506	77.47	7,110,202
December 31, 2012	6,795,326	63.66	9,579,524

The annual pension cost and net pension asset as of December 31, 2012 is as follows:

	<u>2012</u>
Annual required contribution	\$ 6,643,775
Interest on net pension obligation	568,816
Adjustment to annual required contribution	<u>(417,265)</u>
Annual pension cost	6,795,326
Contributions made	<u>4,326,004</u>
Increase in net pension obligation	2,469,322
Net pension obligation, beginning of year	<u>7,110,202</u>
Net pension obligation, end of year	<u><u>\$ 9,579,524</u></u>

The information presented in the required supplemental information was determined as part of the actuarial valuations as of the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2012	
Actuarial cost method	Entry age normal	
Tier 1:		
Amortization method	Level percent of pay (closed)	
Remaining amortization period	27 years	
Tier 2:		
Amortization method	Level percent of pay (open)	
Amortization period	29 years	
Asset valuation method	Average adjusted asset method	
Actuarial assumptions:		
Investment rate of return	8.00%	
Inflation rate assumption	3.25%	
Projected salary increase based on age:	<u>Age</u>	<u>Salary Scale</u>
	25	6.5%
	70	4.5%

Funding Status and Funding Progress

The funding progress schedule as of January 1, 2012, 2011, and 2010 is as follows (dollars are in millions):

Actuarial valuation date, January 1	Actuarial value of assets	Actuarial accrued liability (AAL)	Funded ratio	Unfunded (overfunded) AAL (UAAL)	Covered payroll	UAAL as a percentage of covered payroll
2010	\$427.6	\$448.6	95.3%	\$21.0	\$49.4	42.5%
2011	443.2	471.6	94.0	28.4	47.6	59.7
2012	442.3	496.7	89.0	54.4	50.3	108.2

Actuarial Methods and Assumptions

An asset smoothing method is used in the actuarial valuation process. Gains/losses on the market value of assets are recognized equally over an eight year period. Gains and losses are calculated based on the excess/ (shortfall) of the actual market value of assets compared to the expected value of assets, had the actuarial assumed rate been met exactly.

The plan is funded through equal BPU and member contributions for future service benefits.

The balance of the actuarial present value of service retirement pensions, plus death benefits and termination benefits to the level of employee contributions, plus an allowance for expenses is funded through future BPU Board and member contributions related to annual compensation. The actuarial contribution rate for these benefits is funded by the entry age method.

In addition to depending upon the actuarial method used, actuarial cost estimates depend to an important degree on the assumptions made relative to various occurrences, such as rate of expected investment earnings by the fund, rates of mortality among active and retired employees and rates of termination from employment.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Unified Government Plan. In 1962, certain individuals elected not to participate in KPERS. Currently, there are 2 remaining retirees or their spouses receiving benefits under the prior plan maintained by the Unified Government. There are no employees contributing to the plan. The most recent actuarial study was prepared in 1998 and estimated total payments for 2013 through 2030 to be approximately \$263,544. The Unified Government has made no provision to fund these payments but includes an estimate of the annual expense in the general fund budget. Payments made to plan retirees for the year ended December 31, 2012 were \$38,366. This future payable is included with long-term debt.

F. Other Postemployment Benefits Other Than Pensions

1. UG Plan.

Plan Description. The Unified Government sponsors a single-employer defined benefit healthcare plan that offers lifetime benefits to retirees and their dependents including medical, dental and vision. Retiree health care coverage to age 65 is mandated under Kansas Statute 12-5040. The UG also offers coverage past age 65 that is secondary to Medicare. Retired employees who do not meet the following employer paid retiree coverage criteria may elect to continue coverage at the retired employee's own expense.

Employees must qualify for "unreduced" retirement under either KPERS or KP&F. Also, coverage due to disability retirement is available for qualifying individuals at any age who meet the requirements of KPERS or KP&F. A retiree may not enroll in medical coverage after once declining coverage. Dental and vision coverage are available each open enrollment whether or not a prior declination has occurred.

Additionally, employees that elected to retire under an early retirement offer receive direct subsidies off of the normal retiree premium rate to age 65. Employees not receiving a subsidy are required to pay blended premium rates to maintain coverage.

The Plan does not issue separate financial statements.

Funding Policy

GASB Statement 45 does not require the funding of the OPEB liability. Medical and dental benefits are self-funded with a stop-loss for medical. The funding policy of the UG is to pay claims, administrative costs and stop-loss premiums as they are due through an internal service fund. This arrangement does not qualify as an "OPEB Plan" under GASB 45 requirements and thus cannot be treated as holding assets for GASB reporting.

Unless an early retirement direct subsidy applies, participants must contribute full blended premiums to maintain coverage. The full premium amounts (on a monthly basis) that applied for 2011 ranged from \$331 to \$429, depending on retiree age and marital status. Retirees who meet stipulated age and service criteria receive a subsidy off the full premiums. The subsidy applies to retiree medical coverage to age 65. It does not apply to dental or vision, nor does it apply to dependent coverage except when a qualifying retiree elects the 50%-family paid option. The subsidy percentages (i.e. amount of plan premium paid by UG) vary from 50% to 100%, generally based on the single premium. The subsidy is not available to employees terminating due to disability retirement. The early retirement subsidy for pre-65 medical coverage is no longer available for retirements with UG occurring after December 31, 2010.

Annual OPEB Cost and Net OPEB Obligation

The Unified Government's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation.

Primary Government Other Post Employment Benefits

1. Annual OPEB Cost for 2012				
				\$ 4,833,950
				6,438,451
				<u>11,272,401</u>
				2,689,003
				<u>(3,738,110)</u>
				10,223,294
				<u>(3,948,784)</u>
				<u>\$ 6,274,510</u>
2. Employer Contributions for 2012				
				\$ 5,878,096
				<u>(1,929,312)</u>
				<u>\$ 3,948,784</u>
3. Schedule of Employer Contributions				
Year	Annual OPEB Cost	Net Employer Contributions	Percentage Contributed	Net OPEB Obligation
2012	\$ 10,223,294	\$ 3,948,784	38.63%	\$ 73,499,590
2011	10,330,403	3,467,060	33.56%	67,225,080
2010	17,872,216	1,948,811	10.90%	60,361,737
4. Net OPEB Obligation at 12/31/12				
				\$ 67,225,080
				6,274,510
				<u>\$ 73,499,590</u>

Funded Status and Funding Progress

As of January 1, 2011, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$111,333,880, and there was no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$111,333,880. The covered payroll (annual payroll active employees covered by the plan) was \$106,338,590, and the ratio of the UAAL to the covered payroll was 104.7%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2011 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.0% inflation rate implicitly included in the 4.0% investment rate of return, which is a blended rate of the expected long-term investment returns on the employer's own investments, calculated based on the funded level of the plan at the valuation date. Other assumptions included an annual healthcare cost trend rate of 8.5% initially, reduced by decrements to an ultimate rate of 5.0% after eight years. The UAAL is being amortized in level dollar amounts on an open basis over thirty years. The remaining amortization period at December 31, 2012 was 30 years.

2. BPU Plan.

Plan Description. The BPU provides certain postemployment health care and life insurance benefits to eligible retirees and their dependents in accordance with provisions established by the BPU's Board. The plan is a single-employer defined benefit healthcare plan administered by the BPU. The plan does not issue separate financial statements. Employees are given a 90-day window to retire with medical coverage at ages 55 and above with 7 consecutive years of service. The retiree plan is a comprehensive major medical plan with a \$100 deductible per individual or \$200 per family. For individuals, the plan pays 80% of the next \$12,500 of allowable charges and 100% thereafter for the remainder of that calendar year. For families, the plan pays 80% of the next \$25,000 of allowable charges and 100% thereafter for the remainder of that calendar year. The plan has a lifetime maximum of \$750,000. Benefits cease at the first of the month that the retired employee attains age 65 or death. Spouse benefits end at the first of the month that the retired employee attains age 65, the end of the month of the retiree's death, or the spouse's date of death. Retirees are not required to contribute toward the cost of the postretirement benefits. There were 400 participants eligible to receive benefits under this plan as of December 31, 2012.

Funding Policy

The contribution requirements of plan members and the BPU are established and can be amended by the BPU's Board. Contributions are made to the plan based on a pay-as-you-go basis. For the year ended December 31, 2012, the BPU paid \$3,819,000 for retirees.

Annual OPEB Cost and Net OPEB Obligation

The BPU's annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of 30 years. The BPU's annual OPEB cost, percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010-2012 are as follows:

Fiscal year ended:	Annual OPEB Cost	Percentage of annual OPEB contributed	Net OPEB
December 31, 2012	\$4,382,240	115%	\$3,303,724
December 31, 2011	3,557,942	106%	2,740,484
December 31, 2010	3,486,959	93%	2,538,871

The following table shows the components of BPU's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the BPU's net OPEB obligation:

Normal costs	\$ 1,782,996
Amortization payment	<u>2,636,630</u>
Annual required contribution (ARC)	4,419,626
Amortization of net OPEB obligation	(156,514)
Interest on net OPEB obligation	<u>119,128</u>
Annual OPEB cost	4,382,240
Annual employer contribution	<u>(3,819,000)</u>
Increase in OPEB obligation	563,240
Net OPEB obligation - beginning of year	<u>2,740,484</u>
Net OPEB obligation - end of year	<u>\$ 3,303,724</u>

The funded status of the plan as of December 31, 2012 is as follows:

Actuarial accrued liability (AAL)	\$44,737,371
Actuarial value of plan assets	\$ -
Unfunded actuarial accrued liability (UAAL)	\$44,737,371
Funded ratio	-%
Covered payroll	\$50,800,000
UAAL as percentage of covered payroll	88.07%

Actuarial Methods and Assumptions

Actuarial valuations for an ongoing plan involve estimates for the value of reports amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include benefits provided at the time of each valuation date and the historical pattern of sharing benefit costs between the employer and plan member to that point. The actuarial methods used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets, consistent with the long-term perspective of the calculations. The valuation of the liabilities is based on a closed group. In the actuarial valuation as of December 31, 2012, the projected unit credit actuarial cost method was used. The valuation of liabilities is based on a closed group. The actuarial assumptions included a 4.75% discount rate, which includes a 2% inflation rate built in, and an annual healthcare cost trend of 8.0% initially, reduced by decrements to an ultimate rate of 5.0% after six years. The projected salary increase is 2.5%. The unfunded actuarial accrued liability is being amortized over 20 years as a level percent of payroll.

G. Economic Condition

As described in Notes III.F. and IV.F., the Unified Government has significant long-term liabilities for compensated absences and other post-employment benefit obligations (OPEB). These obligations are two of the primary factors in the resulting deficit in unrestricted net position for governmental activities recorded on the Statement of Net Position. The annual increase in the net OPEB obligation has averaged over \$10 million for the prior three years. In 2012, the annual increase in liability was \$10,223,294.

As of the most recent actuarial valuation for OPEB, the unfunded actuarial liability was approximately \$111 million, which means that the Unified Government does not currently have enough assets to provide all the benefits earned by employees under the OPEB plan and to pay off the unfunded liability during the adopted amortization period ending in 2036. Accounting standards do not require the unfunded actuarial liability to be recorded in the financial statements; therefore, it is not included in the Statement of Net Position. For more information on the unfunded actuarial liability, see Note IV.F. For more information on the decrease in the OPEB liability see the requirement supplementary information and related footnote.

Both the compensated absences and OPEB obligations will be liquidated primarily by General Fund resources. General Fund revenues accounted for approximately 68% of all governmental fund revenues excluding the Economic Development fund, which is restricted for sales tax obligation and transportation development bonds, for the year ended December 31, 2012. General Fund revenue sources such as property taxes and sales taxes are affected by general economic conditions, and the Unified Government, like many other entities, has experienced economic challenges in recent years. There is at least a reasonable possibility that continued growth in compensated absences, and especially the net OPEB obligation, could result in increases to the deficit in unrestricted net position for governmental activities in future years.

To reduce future OPEB expenses, management expects to implement in 2014 modified accrued leave policies for new hires. In addition, management is evaluating compensation alternatives to reduce accrued leave of retirees.

Further, the Unified Government expects significant strengthening of General Fund revenues during the next five-year period. The Hollywood Casino opened in February of 2012 and will generate over \$9 million on an annual basis in gaming and property tax revenues in 2013. The Cerner Office Campus, a 600,000 sq. ft. development, will add over \$100 million in property valuation to the community over the next three years. Phase 1 of the project will open by mid-year 2013. In addition, these commercial investments have spurred the construction of 600 multi-housing units with opening scheduled in 2013/2014. The expected retirement of STAR bonds, currently currently projected for 2016, will increase local sales tax revenues by approximately \$12-\$15 million annually.

H. Subsequent Events

In February of 2013, the Unified Government issued \$15,225,000 in general obligation improvement bonds (Series 2013-A); and \$5,225,000 in taxable general obligation improvement bonds (Series 2013-B). Series 2013 A, a 20-year issue, had an overall rate of 2.6%. Series 2012-B, also a 20 had a true interest cost of 2.69%.

Also in February of 2013, the Unified Government issued \$52,445,000 of tax-exempt temporary notes (Series 2013-I) with a maturity of March 1, 2014 at an interest rate of 0.23%; a \$5,225,000 taxable series of temporary notes (Series 2013-II), with a March 1st 2014 maturity and yield of 0.59%.

In March of 2013, the Unified Government issued bonds and notes for an upgrade of emergency communications equipment. The Public Building Commission issued \$9,915,000 of 15-year bonds with a true interest cost of 2.39%, while the Unified Government issued a \$13,275,000 one-year financing with an interest rate at 0.22%

Two development financings have been completed since the beginning of the year. In January of 2013, a 15-year tax increment private-placement bond was finalized for Plaza of the Speedway. Interest rates were set at 4.25% for the initial two years and increase to 5.25% in the remaining 13 years. A companion piece to this financing is a transportation development \$9,975,000 issuance for 20 years. This latter financing was done on a tax-exempt basis and has an interest rate of 4.75% for the initial two years and 5.75% for the remaining term. There is no government backing on these issues. The revenue pledge is limited specified property and sales tax increments, in accordance to a debvelopment agreement.

In April of 2013, an 18-year bond for \$4,365,000, with a 5% interest rate, was completed for the 39th and Rainbow Development. This financing is also backed by incremental property and sales tax revenue and has no government backing.

REQUIRED SUPPLEMENTARY INFORMATION

Board of Public Utilities

Schedule of Funding Progress

December 31, 2012
(Dollars in millions)

Acturial Valuation date, Jan 1	Actuarial value of assets	Actuarial accrued liability (AAL)	Funded Ratio	Unfunded (overfunded) AAL(UAAL)	Covered payroll	UAAL as a percentage of covered payroll
2010 -- Pension	\$427.6	\$448.6	95.3%	\$21.0	\$49.4	42.5%
2011 – Pension	443.2	471.6	94.0	28.4	47.6	59.7
2012 – Pension	442.3	496.7	89.0	54.4	50.3	108.2
2010-Postretirement	\$-	\$42.1	-%	\$42.1	\$48.9	86.1%
2011- Postretirement	-	46.0	-	46.0	49.9	92.2
2012-Postretirement	-	44.7	-	44.7	50.8	88.0

Unified Government

Other Postemployment Benefits Other Than Pensions

Schedule of Funding Progress

December 31, 2012
(Dollars in millions)

Acturial Valuation date, Jan 1	Actuarial value of assets	Actuarial accrued liability (AAL)	Funded Ratio	Unfunded (overfunded) AAL(UAAL)	Covered payroll	UAAL as a percentage of covered payroll
2007	\$-	\$145.4	-%	\$145.4	\$113.8	127.8%
2009	-	180.0	-	180.0	108.6	165.8
2011	-	111.3	-	111.3	106.3	104.7

Note 1 Significant Factors Affecting Trends in Actuarial Information for the Unified Government's Other
Post-Employment Benefits other than Pensions

Changes in the Actuarial Liability for the valuation completed at January 1, 2011 are primarily due to:

- Previously it was assumed 100% of eligible retirees would enroll in health insurance coverage. It is our understanding the early retirement subsidy has ended. Also UG is now endorsing/promoting Medicare supplement coverage with AARP to its retirees. Given these facts and based on information provided by UG, the assumed proportion of future retirees with pre 65/post 65 coverage was lowered to 75% / 65%, respectively. The assumption for current post 65 retirees was not changed. When current pre 65 retirees attain age 65 it is assumed about 15% will drop coverage with UG.
- Expected per capita costs for both pre 65 and Medicare eligible retirees increased less than expected.
- The assumed Medical / Rx trend rates were changed from 10%, 9.5%, 9.0%, 8.5%, 8.0%, 7.5%, 7.0%, 6.5%, 6.0%, 5.5% (Ultimate) to 8.5%, 8.0%, 7.5%, 7.0%, 6.5%, 6.0%, 5.5%, 5.0% (Ultimate).
- The assumed Dental cost trend rate was lowered from 5% to 4%.
- The turnover rates and retirement age assumptions were updated to reflect the latest statistics available from KPERS and KP&F pension valuations.
- The assumed proportion of future retirees with a covered spouse was lowered from 40% to 30%.
- KPERS added a Tier II category for employees beginning participation in the program on or after July 1, 2009. Tier II has more stringent eligibility requirements for "Unreduced" retirement.
- The attribution method was changed from linear to eligibility to linear to expected decrement as allowed under GASB 45.

GOVERNMENTAL FUNDS

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended DECEMBER 31, 2012

GOVERNMENTAL FUNDS

The **General Fund** is the principal operating fund containing all activity not required to be reported in a separate fund. This fund accounts for revenues and expenses that were formally City and County operations. Revenues are received from taxes, fees, intergovernmental revenue, rents and other sources. Expenses support general operations including court programs, public safety, public works, facilities maintenance, economic development and administrative functions. Financing for the purchase of capital equipment and projects not debt financed are also included.

The **Capital Projects Fund** is funded almost entirely by the issuance of debt and only incidentally from reimbursements and transfers in from other funds. Expenses are tracked by projects which usually are construction/reconstruction but also include settlement of claims which are financed by debt.

Statements for these major governmental funds are included in the Basic Financial Statements found in the Financial Section of this document. A *comparative* budgetary schedule of the General Fund is presented here. As a legal operating budget for the Capital Projects Fund is not required, a budgetary schedule is not included in this document.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds:

The primary source of revenue of these funds is governmental allocations or special taxes.

The **American Recovery & Reinvestment Act Fund**, commonly referred to as the “Stimulus Act” is a Federal government initiative to stimulate the United States economy through grants from across the spectrum of Federal government agencies. Public Safety, Public Works, Transportation and Community Development are the largest areas of funding to the Unified Government, but grant opportunities span virtually every area of Unified Government business.

The **Community Development Fund** is the Unified Government’s entitlement grant from the U.S. Department of Housing and Urban Development (HUD). Federal regulation requires this fund be used to support services and activities to the benefit of “low and moderate” income households or areas of the city and county requiring special attention.

The **Court Trustee Fund** supports the Court Trustee Office in providing services to children by establishing or enforcing court orders. All generated revenue is used to pay for child support enforcement activities.

The **Dedicated Sales Tax Fund** was established on July 1, 2010 to pay for Public Safety Services and Neighborhood Infrastructure. The Public Safety services are provided by the Kansas City, Kansas Police & Fire Departments. The source of revenue is a 10-year 3/8th cent sales tax, which was passed by Kansas City, Kansas voters on April 13, 2010.

The **Developmental Disability Fund** provides funds to support mental health or mental retardation services.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended DECEMBER 31, 2012

NONMAJOR GOVERNMENTAL FUNDS
(continued)

Special Revenue Funds (continued):

The **Elections Fund**, established to account for the administration of community-wide elections in Wyandotte County.

The **Environmental Trust Fund** is used to accumulate resources for future landfill costs. A legal operating budget for this fund is not required; therefore, a budgetary schedule is not included in this document.

The **Health Department Fund** provides funding to support the County Health Department operations and capital expenditures for county health purposes.

The **Jail Commissary Fund** was established to record the sales to inmates of clothing, food and personal products.

The **Library Fund** collects library taxes to support the services of the Kansas City, Kansas Public Library.

The **Mental Health Fund** disburses funds for a variety of community mental health services provided by contracted, nonprofit corporations.

The **Register of Deeds Technology Fund**, created in 2002 by state statute, is used to account for revenues and expenses received from specified fees charged by the Register of Deeds. Moneys are required to be used "to acquire equipment and technological services for the storing, recording, archiving, retrieving, maintaining and handling of data recorded or stored in the office."

The **Revolving Loan Fund** addresses very specific needs in the community by providing gap financing for businesses in expansion and job creation or retention. The major fund revenue is interest income and is utilized to pay for administrative costs of the program.

The **Service Program for the Elderly Fund** provides services for those citizens age 60 and over such as: senior centers, transportation, education, and health-related concerns.

The **Special 911 Tax Fund** is a special revenue fund restricted in its use to operating expenses and the purchase of 911 emergency-related equipment. The remaining balance in this fund will be expended as the government transitions to the "Wyandotte County 911 Fund", created by the Kansas 911 Act of 2011.

The **Special 911 Tax Wyandotte County** is a new statewide 911 fee per subscriber account (telephone number capable of accessing 911) was imposed and that fee applies to hardwire, wireless and VoIP phones. Monies in this fund shall be used only for purposes required or permitted under the Kansas 911 Act.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended DECEMBER 31, 2012

NONMAJOR GOVERNMENTAL FUNDS
(continued)

Special Revenue Funds (continued):

The **Special Alcohol Programs Fund** includes two separate fund programs:

The Special Alcohol Program Grant Program receives its funding from a portion of the Government's liquor tax moneys. Expenditures are restricted to providing services and/or programs for alcohol abuse prevention, treatment or education.

The Alcohol Diversion Program is funded through collection of fines from persons found in violation of driving under the influence of alcohol, K.S.A. 8-1567. Again, expenditures are used to fund community services targeting alcohol related programs.

The **Special Grants Fund** accounts for grant revenues and related expenditures in the areas of Law Enforcement, Supportive Housing, Aging, Health, Community Correction, District Court, District Attorney, and other grants. A legal operating budget for this fund is not required; therefore, a budgetary schedule is not included in this document.

The **Special Law Enforcement Fund** obtains revenues from drug related court forfeitures and confiscated property. Expenditures are restricted to drug enforcement related programs.

The **Special Parks and Recreation Fund** supports designated park improvement projects. Revenues for this fund are generated from a portion of liquor sales receipts within the Unified Government.

The **Special Street and Highway Fund** finances road improvement, development and maintenance. Revenues are generated primarily from motor fuel taxes collected by the State.

The **Tourism and Convention Promotion Fund** receives its revenue from transient guest taxes levied on hotel and motel lodging within the city. These moneys are apportioned to the Chamber of Commerce, maintenance and repair of the Reardon Civic Center, and a hotel reserve fund for future hotel development.

Debt Service Funds:

The **Debt Service Fund**, also known as the Bond and Interest Fund, is responsible for servicing the annual principal and interest payments on outstanding debt issued by the Unified Government. These bonds fund major capital improvement and maintenance projects. The primary source of revenue for this fund is from Ad Valorem Property Taxes. Segregation is maintained between debt supported by the boundaries of the City and debt supported by the County-at-large.

Capital Project Fund:

The **County Initiative to Fund Infrastructure** fund finances infrastructure projects that benefit all of the cities in the county.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

As of December 31, 2012

	Special Revenue			
	AR&RA	Community Development	Court Trustee	Dedicated Sales Tax
ASSETS				
Cash and investments	\$ -	\$ -	\$ 760,404	\$ 927,238
Restricted cash and investments	-	92,818	-	-
Receivables (net of uncollectible)				
Taxes	-	-	-	1,155,045
Accounts	-	-	-	-
Notes	-	-	-	-
Interest	-	-	-	-
Special assessments	-	18,863	-	-
Due from other funds	67,430	28,126	-	-
Due from other governments	-	-	-	-
TOTAL ASSETS	\$ 67,430	\$ 139,807	\$ 760,404	\$ 2,082,283
LIABILITIES				
Accounts and contracts payable	\$ 661,334	\$ 74,273	\$ 1,087	\$ 27,446
Accrued wages and other	41,370	23,745	9,114	159,721
Due to others	-	15,735	-	-
Due to other funds	360,408	1,248,928	-	-
Due to other governments	-	14,464	-	-
Deferred revenue	-	18,863	-	-
TOTAL LIABILITIES	1,063,112	1,396,008	10,201	187,167
FUND BALANCE				
Restricted	-	-	750,203	1,895,116
Committed	-	-	-	-
Unassigned	(995,682)	(1,256,201)	-	-
TOTAL FUND BALANCE	(995,682)	(1,256,201)	750,203	1,895,116
TOTAL LIABILITIES AND FUND BALANCE	\$ 67,430	\$ 139,807	\$ 760,404	\$ 2,082,283

continued

Special Revenue				
Developmental Disability	Elections	Environmental Trust	Health Department	Jail Commissary
\$ 257,560	\$ 702,783	\$ 538,624	\$ 1,073,629	\$ 143,792
-	-	-	-	-
360,002	910,593	-	1,627,843	-
-	-	145,791	-	-
-	-	-	-	-
-	-	3,312	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 617,562</u>	<u>\$ 1,613,376</u>	<u>\$ 687,727</u>	<u>\$ 2,701,472</u>	<u>\$ 143,792</u>
\$ 3,377	\$ 10,516	\$ 427,931	\$ 23,397	\$ 3,574
-	15,393	-	61,126	-
-	-	-	78	-
-	-	-	-	-
-	4,651	-	-	-
360,002	910,593	-	1,627,418	-
<u>363,379</u>	<u>941,153</u>	<u>427,931</u>	<u>1,712,019</u>	<u>3,574</u>
254,183	672,223	-	989,453	-
-	-	259,796	-	140,218
-	-	-	-	-
<u>254,183</u>	<u>672,223</u>	<u>259,796</u>	<u>989,453</u>	<u>140,218</u>
<u>\$ 617,562</u>	<u>\$ 1,613,376</u>	<u>\$ 687,727</u>	<u>\$ 2,701,472</u>	<u>\$ 143,792</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS - continued

As of December 31, 2012

	Special Revenue			
	Library	Mental Health	Register of Deeds Tech	Revolving Loan
ASSETS				
Cash and investments	\$ 466,583	\$ 89,350	\$ 64,611	\$ 1,371,064
Restricted cash and investments	-	-	-	-
Receivables (net of uncollectible)				
Taxes	1,781,353	443,649	-	-
Accounts	-	-	-	-
Notes	-	-	-	417,088
Interest	2,431	-	336	-
Special assessments	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
TOTAL ASSETS	\$ 2,250,367	\$ 532,999	\$ 64,947	\$ 1,788,152
LIABILITIES				
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ 150
Accrued wages and other	-	-	-	-
Due to others	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Deferred revenue	1,781,353	443,649	-	-
TOTAL LIABILITIES	1,781,353	443,649	-	150
FUND BALANCE				
Restricted	469,014	89,350	64,947	1,788,002
Committed	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCE	469,014	89,350	64,947	1,788,002
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,250,367	\$ 532,999	\$ 64,947	\$ 1,788,152

continued

Special Revenue						
Service Program for the Elderly	Special 911 Tax	Special 911 Tax Wyandotte County	Special Alcohol Programs	Special Grants	Special Law Enforcement Program	
\$ 121,243	\$ 32,934	\$ 351,214	\$ 347,033	\$ 2,196,634	\$ 2,831,846	
-	-	-	41,000	-	-	
1,071,533	-	128,019	-	-	-	
78	-	-	-	2,000	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	40,085	
-	-	-	-	-	-	
<u>\$ 1,192,854</u>	<u>\$ 32,934</u>	<u>\$ 479,233</u>	<u>\$ 388,033</u>	<u>\$ 2,198,634</u>	<u>\$ 2,871,931</u>	
\$ 17,000	\$ -	\$ 17,281	\$ 3,204	\$ 687,295	\$ 1,565	
21,542	-	-	3,844	206,008	-	
-	-	-	-	-	283,969	
-	-	-	-	-	38,000	
-	-	-	-	-	-	
1,071,533	-	-	-	-	-	
<u>1,110,075</u>	<u>-</u>	<u>17,281</u>	<u>7,048</u>	<u>893,303</u>	<u>323,534</u>	
82,779	32,934	461,952	380,985	1,305,331	2,548,397	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>82,779</u>	<u>32,934</u>	<u>461,952</u>	<u>380,985</u>	<u>1,305,331</u>	<u>2,548,397</u>	
<u>\$ 1,192,854</u>	<u>\$ 32,934</u>	<u>\$ 479,233</u>	<u>\$ 388,033</u>	<u>\$ 2,198,634</u>	<u>\$ 2,871,931</u>	

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS - continued

As of December 31, 2012

	Special Revenue			Total
	Special Parks and Recreation	Special Street and Highway	Tourism and Convention Program	
ASSETS				
Cash and investments	\$ 217,640	\$ 1,067,324	\$ 183,369	\$ 13,744,875
Restricted cash and investments	-	-	-	133,818
Receivables (net of uncollectible)				
Taxes	-	-	-	7,478,037
Accounts	-	-	-	147,869
Notes	-	-	-	417,088
Interest	-	-	-	6,079
Special assessments	-	-	-	18,863
Due from other funds	-	-	-	135,641
Due from other governments	-	-	249,303	249,303
TOTAL ASSETS	\$ 217,640	\$ 1,067,324	\$ 432,672	\$ 22,331,573
LIABILITIES				
Accounts and contracts payable	\$ 8,365	\$ 6,435	\$ -	\$ 1,974,230
Accrued wages and other	4,792	154,749	-	701,404
Due to others	-	-	-	299,782
Due to other funds	-	-	-	1,647,336
Due to other governments	-	-	-	19,115
Deferred revenue	-	-	-	6,213,411
TOTAL LIABILITIES	13,157	161,184	-	10,855,278
FUND BALANCE				
Restricted	204,483	906,140	-	12,895,492
Committed	-	-	432,672	832,686
Unassigned	-	-	-	(2,251,883)
TOTAL FUND BALANCE	204,483	906,140	432,672	11,476,295
TOTAL LIABILITIES AND FUND BALANCE	\$ 217,640	\$ 1,067,324	\$ 432,672	\$ 22,331,573

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS - continued

As of December 31, 2012

	Debt Service	Capital Projects	Total Nonmajor
	Debt Service	County Initiative To	Governmental Funds
	Fund	Fund Infrastructure	2012
ASSETS			
Cash and investments	\$ 2,145,680	\$ -	\$ 15,890,555
Restricted cash and investments	-	-	133,818
Receivables (net of uncollectible)			
Taxes	15,873,000	-	23,351,037
Accounts	282,994	-	430,863
Notes	-	-	417,088
Interest	4,619	-	10,698
Special assessments	1,233,064	-	1,251,927
Due from other funds	290,325	-	425,966
Due from other governments	-	-	249,303
TOTAL ASSETS	\$ 19,829,682	\$ -	\$ 42,161,255
LIABILITIES			
Accounts and contracts payable	\$ -	\$ -	\$ 1,974,230
Accrued wages and other	280,912	-	982,316
Due to others	-	-	299,782
Due to other funds	-	-	1,647,336
Due to other governments	-	-	19,115
Deferred revenue	17,025,274	-	23,238,685
TOTAL LIABILITIES	17,306,186	-	28,161,464
FUND BALANCE			
Restricted	2,523,496	-	15,418,988
Committed	-	-	832,686
Unassigned	-	-	(2,251,883)
TOTAL FUND BALANCE	2,523,496	-	13,999,791
TOTAL LIABILITIES AND FUND BALANCE	\$ 19,829,682	\$ -	\$ 42,161,255

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2012

	Special Revenue			
	AR&RA	Community Development	Court Trustee	Dedicated Sales Tax
REVENUES				
Taxes	\$ -	\$ 18,206	\$ -	\$ 6,328,014
Intergovernmental revenue	5,887,280	3,668,572	-	-
Charges for services	-	-	-	-
Fines, forfeitures and penalties	-	-	388,058	-
Interest income	-	2,767	-	-
Licenses, permits and fees	-	-	-	-
Miscellaneous revenues	-	76,743	-	-
TOTAL REVENUES	5,887,280	3,766,288	388,058	6,328,014
EXPENDITURES				
General government	199	55,485	1,304	81
Public works	922,465	-	-	-
Public safety	767,202	-	-	3,910,751
Judicial	-	-	390,442	-
Health and welfare	491,283	-	-	-
Planning and development	2,505,681	3,726,369	-	-
Parks and recreation	-	-	-	-
Capital outlay	1,722,129	91,923	-	1,246,544
Debt service				
Principal	-	-	-	275,379
Interest	-	-	-	36,027
Other	-	-	-	-
TOTAL EXPENDITURES	6,408,959	3,873,777	391,746	5,468,782
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	(1,355,801)
Issuance of refunding bonds	-	-	-	-
Premium from issuance of refunding bonds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(1,355,801)
NET CHANGE IN FUND BALANCE	(521,679)	(107,489)	(3,688)	(496,569)
FUND BALANCE				
Beginning of year	(474,003)	(1,148,712)	753,891	2,391,685
End of year	\$ (995,682)	\$ (1,256,201)	\$ 750,203	\$ 1,895,116

continued

Special Revenue					
Developmental Disability	Elections	Environmental Trust	Health Department	Jail Commissary	
\$ 385,052	\$ 1,027,903	\$ -	\$ 1,836,705	\$ -	
-	-	-	21,675	-	
-	2,328	927,252	570,191	-	
-	-	-	-	-	
-	-	2,832	-	-	
-	-	-	75,275	-	
23,790	-	-	332,929	17,010	
408,842	1,030,231	930,084	2,836,775	17,010	
1,491	1,065,567	-	28,083	-	
-	-	-	-	-	
-	-	-	-	35,176	
-	-	-	-	-	
453,624	-	758,868	2,936,922	-	
-	-	-	-	-	
-	-	-	-	-	
-	5,995	850	96,970	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
455,115	1,071,562	759,718	3,061,975	35,176	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
(46,273)	(41,331)	170,366	(225,200)	(18,166)	
300,456	713,554	89,430	1,214,653	158,384	
\$ 254,183	\$ 672,223	\$ 259,796	\$ 989,453	\$ 140,218	

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS - continued

For the Year Ended December 31, 2012

	Special Revenue			
	Library	Mental Health	Register of Deeds Tech	Revolving Loan
REVENUES				
Taxes	\$ 1,961,874	\$ 490,255	\$ -	\$ -
Intergovernmental revenue	-	-	-	-
Charges for services	-	-	-	-
Fines, forfeitures and penalties	-	-	149,822	1,161
Interest income	2,735	-	179	24,364
Permits and licenses	-	-	-	-
Miscellaneous revenues	-	-	-	-
	-	-	-	-
TOTAL REVENUES	1,964,609	490,255	150,001	25,525
EXPENDITURES				
General government	1,878,971	-	44,997	-
Public works	-	-	-	-
Public safety	-	-	-	-
Judicial	-	-	-	-
Health and welfare	-	508,331	-	-
Planning and development	-	-	-	-
Parks and recreation	-	-	-	-
Capital Outlay	-	-	108,056	1,390
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
TOTAL EXPENDITURES	1,878,971	508,331	153,053	1,390
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Premium from issuance of refunding bonds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCE	85,638	(18,076)	(3,052)	24,135
FUND BALANCE				
Beginning of year	383,376	107,426	67,999	1,763,867
End of year	\$ 469,014	\$ 89,350	\$ 64,947	\$ 1,788,002

continued

Special Revenue					
Service Program for the Elderly	Special 911 Tax	Special 911 Tax Wyandotte County	Special Alcohol Programs	Special Grants	Special Law Enforcement Program
\$ 1,188,879	\$ -	\$ 796,993	\$ 496,575	\$ -	\$ 165,336
-	-	-	-	14,716,259	-
-	-	-	-	60,642	-
-	-	-	13,850	14,505	475,797
-	-	-	-	372	1,420
-	-	-	-	-	-
13,193	-	-	-	1,304,422	494
1,202,072	-	796,993	510,425	16,096,200	643,047
4,445	-	-	461,123	339,085	-
838,148	-	-	-	998,149	-
-	466,911	28,346	-	2,182,739	80,445
-	-	-	-	2,571,216	9,210
299,305	-	-	-	7,656,742	-
-	-	-	-	587,175	-
-	-	-	-	15,914	-
-	95,839	111,000	-	785,565	142,230
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,141,898	562,750	139,346	461,123	15,136,585	231,885
-	-	-	-	-	30,457
-	-	(291,000)	-	(30,457)	(58,036)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(291,000)	-	(30,457)	(27,579)
60,174	(562,750)	366,647	49,302	929,158	383,583
22,605	595,684	95,305	331,683	376,173	2,164,814
\$ 82,779	\$ 32,934	\$ 461,952	\$ 380,985	\$ 1,305,331	\$ 2,548,397

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS - continued

For the Year Ended December 31, 2012

	Special Revenue			Total
	Special Parks and Recreation	Special Street and Highway	Tourism and Convention Program	
REVENUES				
Taxes	\$ 494,285	\$ -	\$ 863,195	\$ 16,053,272
Intergovernmental revenue	-	6,572,276	-	30,866,062
Charges for services	-	-	-	1,560,413
Fines, forfeitures and penalties	-	-	-	1,043,193
Interest income	-	-	-	34,669
Permits and licenses	-	-	-	75,275
Miscellaneous revenues	-	236,825	-	2,005,406
TOTAL REVENUES	494,285	6,809,101	863,195	51,638,290
EXPENDITURES				
General government	14	24,291	-	3,905,136
Public works	-	5,814,919	-	8,573,681
Public safety	-	-	-	7,471,570
Judicial	-	-	-	2,970,868
Health and welfare	-	-	-	13,105,075
Planning and development	-	-	607,500	7,426,725
Parks and recreation	297,776	-	-	313,690
Capital Outlay	219,808	526,242	-	5,154,541
Debt service				
Principal	-	203,627	140,000	619,006
Interest	-	33,409	-	69,436
Other	-	-	-	-
TOTAL EXPENDITURES	517,598	6,602,488	747,500	49,609,728
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	30,457
Transfers out	-	(13,000)	-	(1,748,294)
Issuance of refunding bonds	-	-	-	-
Premium from issuance of refunding bonds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(13,000)	-	(1,717,837)
NET CHANGE IN FUND BALANCE	(23,313)	193,613	115,695	310,725
FUND BALANCE				
Beginning of year	227,796	712,527	316,977	11,165,570
End of year	\$ 204,483	\$ 906,140	\$ 432,672	\$ 11,476,295

Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Debt Service Fund	County Initiative To Fund Infrastructure	2012
\$ 20,118,654	\$ 7,357	\$ 36,179,283
18,713	-	30,884,775
-	-	1,560,413
-	-	1,043,193
529,410	-	564,079
-	-	75,275
820,675	-	2,826,081
<u>21,487,452</u>	<u>7,357</u>	<u>73,133,099</u>
-	-	3,905,136
-	-	8,573,681
-	-	7,471,570
-	-	2,970,868
-	-	13,105,075
-	-	7,426,725
-	-	313,690
-	-	5,154,541
13,054,087	-	13,673,093
9,988,088	-	10,057,524
-	-	-
<u>23,042,175</u>	<u>-</u>	<u>72,651,903</u>
3,944,971	-	3,975,428
(3,161,131)	(29,106)	(4,938,531)
-	-	-
-	-	-
<u>783,840</u>	<u>(29,106)</u>	<u>(963,103)</u>
(770,883)	(21,749)	(481,907)
3,294,379	21,749	14,481,698
<u>\$ 2,523,496</u>	<u>\$ -</u>	<u>\$ 13,999,791</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

GENERAL FUND
Year Ended December 31, 2012

	2011		2012		Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final		
REVENUES					
Tax revenue	\$ 133,089,619	\$ 139,432,959	\$ 140,400,750	\$ 142,892,053	\$ 2,491,303
Intergovernmental revenues	4,596,644	3,899,517	4,870,000	4,918,497	48,497
Charges for services	13,194,341	13,657,900	13,375,300	13,475,432	100,132
Fines, forfeitures and penalties	5,737,673	6,161,450	5,749,600	5,646,425	(103,175)
Interest earnings	1,876,323	1,633,700	1,700,000	1,852,035	152,035
Licenses and permits	2,280,621	2,235,300	2,487,300	2,351,767	(135,533)
Miscellaneous revenues	5,051,603	3,133,025	2,701,086	2,644,732	(56,354)
TOTAL REVENUES	165,826,824	170,153,851	171,284,036	173,780,941	2,496,905
EXPENDITURES					
Personnel	124,793,507	125,945,787	127,714,908	129,401,859	(1,686,951)
Contractual services	26,654,989	29,328,705	29,113,181	27,528,279	1,584,902
Commodities	6,509,921	6,098,660	6,267,370	5,915,437	351,933
Capital outlay	2,635,029	4,188,336	4,206,973	3,601,440	605,533
Grants, claims, shared revenue	5,455,549	4,839,594	5,168,600	4,990,131	178,469
Debt service	333,791	341,152	882,827	882,826	1
Other	102,105	1,729,528	2,292,125	1,053,501	1,238,624
TOTAL EXPENDITURES	166,484,891	172,471,762	175,645,984	173,373,473	2,272,511
OTHER FINANCING SOURCES(USES)					
Transfers in	2,893,262	2,456,000	3,737,449	4,459,128	721,679
Transfers out	-	(200,000)	(450,000)	(498,230)	(48,230)
Proceeds from sale of assets	2,000	-	-	-	-
Proceeds from sale of land	659,380	545,455	600,955	600,955	-
TOTAL OTHER FINANCING SOURCES (USES)	3,554,642	2,801,455	3,888,404	4,561,853	673,449
NET CHANGE IN FUND BALANCE	2,896,575	483,544	(473,544)	4,969,321	5,442,865
UNENCUMBERED FUND BALANCE					
Beginning of year	1,884,436	4,781,011	4,781,011	4,781,011	-
End of year	\$ 4,781,011	\$ 5,264,555	\$ 4,307,467	\$ 9,750,332	\$ 5,442,865

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

GENERAL FUND - CITY
Year Ended December 31, 2012

	2011	2012		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts			
		Original	Final		
REVENUES					
Tax revenue	\$ 93,010,762	\$ 95,631,015	\$ 96,740,980	\$ 98,566,537	\$ 1,825,557
Intergovernmental revenues	696,394	670,000	670,000	706,903	36,903
Charges for services	9,653,017	9,734,500	9,772,200	10,088,951	316,751
Fines, forfeitures and penalties	4,765,366	5,193,300	4,790,100	4,696,113	(93,987)
Interest earnings	108,773	168,100	100,000	63,867	(36,133)
Licenses and permits	1,296,007	1,250,800	1,502,800	1,409,709	(93,091)
Miscellaneous revenues	4,019,733	2,045,053	1,803,451	1,756,611	(46,840)
TOTAL REVENUES	113,550,052	114,692,768	115,379,531	117,288,691	1,909,160
EXPENDITURES					
Personnel	89,119,472	89,500,888	89,905,367	90,951,914	(1,046,547)
Contractual services	13,992,087	15,607,404	15,553,679	14,771,746	781,933
Commodities	3,631,620	4,166,330	4,287,849	4,164,648	123,201
Capital outlay	1,755,361	2,842,236	2,856,292	2,535,792	320,500
Grants, claims, shared revenue	5,036,284	4,221,891	4,212,847	4,198,986	13,861
Debt service	333,791	341,152	882,827	882,826	1
Other	92,748	907,418	1,576,915	1,044,428	532,487
TOTAL EXPENDITURES	113,961,363	117,587,319	119,275,776	118,550,340	725,436
OTHER FINANCING SOURCES(USES)					
Transfers in	2,606,000	2,256,000	3,256,000	3,943,086	687,086
Transfers out	-	-	-	(11,294)	(11,294)
Proceeds from sale of assets	2,000	-	-	-	-
Proceeds from sale of land	588,880	545,455	545,455	545,455	-
TOTAL OTHER FINANCING (USES)	3,196,880	2,801,455	3,801,455	4,477,247	675,792
NET CHANGE IN FUND BALANCE	2,785,569	(93,096)	(94,790)	3,215,598	3,310,388
UNENCUMBERED FUND BALANCE					
Beginning of year	619,828	3,405,397	3,405,397	3,405,397	-
End of year	\$ 3,405,397	\$ 3,312,301	\$ 3,310,607	\$ 6,620,995	\$ 3,310,388

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

GENERAL FUND - COUNTY
Year Ended December 31, 2012

	2011		2012		
	Actual Amounts	Budget Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
		Original	Final		
REVENUES					
Tax revenue	\$ 38,320,803	\$ 42,192,254	\$ 42,031,440	\$ 42,673,987	\$ 642,547
Intergovernmental revenues	700,250	29,517	1,000,000	1,011,594	11,594
Charges for services	2,909,686	3,315,400	3,005,100	2,845,502	(159,598)
Fines, forfeitures and penalties	972,307	968,150	959,500	950,312	(9,188)
Interest earnings	1,767,550	1,465,600	1,600,000	1,788,168	188,168
Licenses and permits	984,614	984,500	984,500	942,058	(42,442)
Miscellaneous revenues	1,019,353	974,972	796,635	884,308	87,673
TOTAL REVENUES	46,674,563	49,930,393	50,377,175	51,095,929	718,754
EXPENDITURES					
Personnel	31,392,191	32,892,493	34,579,178	35,195,144	(615,966)
Contractual services	11,856,354	12,805,603	12,679,766	12,027,941	651,825
Commodities	2,193,580	1,451,423	1,426,954	1,252,457	174,497
Capital outlay	738,718	1,109,000	1,008,581	829,727	178,854
Grants, claims, shared revenue	414,990	612,428	942,067	778,459	163,608
Other	8,652	671,000	614,100	9,073	605,027
TOTAL EXPENDITURES	46,604,485	49,541,947	51,250,646	50,092,801	1,157,845
OTHER FINANCING SOURCES(USES)					
Transfers in	287,262	200,000	481,449	516,042	34,593
Transfers out	-	-	-	(36,936)	(36,936)
Proceeds of sale of land	70,500	-	55,500	55,500	-
TOTAL OTHER FINANCING (USES)	357,762	200,000	536,949	534,606	(2,343)
NET CHANGE IN FUND BALANCE	427,840	588,446	(336,522)	1,537,734	1,874,256
UNENCUMBERED FUND BALANCE					
Beginning of year	722,710	1,150,550	1,150,550	1,150,550	-
End of year	\$ 1,150,550	\$ 1,738,996	\$ 814,028	\$ 2,688,284	\$ 1,874,256

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

GENERAL FUND - PARKS
Year Ended December 31, 2012

	2011	2012			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final		
REVENUES					
Tax revenue	\$ 1,758,054	\$ 1,609,690	\$ 1,628,330	\$ 1,651,529	\$ 23,199
Intergovernmental revenues	3,200,000	3,200,000	3,200,000	3,200,000	-
Charges for services	631,638	608,000	598,000	540,979	(57,021)
Miscellaneous revenues	12,517	113,000	101,000	3,813	(97,187)
TOTAL REVENUES	5,602,209	5,530,690	5,527,330	5,396,321	(131,009)
EXPENDITURES					
Personnel	4,281,844	3,552,406	3,230,363	3,254,801	(24,438)
Contractual services	806,548	915,698	879,736	728,592	151,144
Commodities	684,721	480,907	552,567	498,332	54,235
Capital outlay	140,950	237,100	342,100	235,921	106,179
Grants, claims, shared revenue	4,275	5,275	13,686	12,686	1,000
Other	705	151,110	101,110	-	101,110
TOTAL EXPENDITURES	5,919,043	5,342,496	5,119,562	4,730,332	389,230
OTHER FINANCING SOURCES(USES)					
Transfers out	-	(200,000)	(450,000)	(450,000)	-
TOTAL OTHER FINANCING (USES)	-	(200,000)	(450,000)	(450,000)	-
NET CHANGE IN FUND BALANCE	(316,834)	(11,806)	(42,232)	215,989	258,221
UNENCUMBERED FUND BALANCE					
Beginning of year	541,898	225,064	225,064	225,064	-
End of year	\$ 225,064	\$ 213,258	\$ 182,832	\$ 441,053	\$ 258,221

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
 BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: COURT TRUSTEE
 Year Ended December 31, 2012

	2011	2012			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Fines, fees, forfeitures	\$ 401,872	\$ 400,000	\$ 400,000	\$ 388,058	\$ (11,942)
Miscellaneous revenue	5	-	-	-	-
TOTAL REVENUES	<u>401,877</u>	<u>400,000</u>	<u>400,000</u>	<u>388,058</u>	<u>(11,942)</u>
EXPENDITURES					
Personnel	316,545	320,000	370,713	343,838	26,875
Contractual services	39,527	65,610	63,010	40,994	22,016
Commodities	5,244	5,592	8,192	6,913	1,279
Other	-	40,000	45,000	-	45,000
TOTAL EXPENDITURES	<u>361,316</u>	<u>431,202</u>	<u>486,915</u>	<u>391,745</u>	<u>95,170</u>
NET CHANGE IN FUND BALANCE	40,561	(31,202)	(86,915)	(3,687)	83,228
UNENCUMBERED FUND BALANCE					
Beginning of year	713,354	753,915	753,915	753,915	-
End of year	<u>\$ 753,915</u>	<u>\$ 722,713</u>	<u>\$ 667,000</u>	<u>\$ 750,228</u>	<u>\$ 83,228</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
 BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: DEDICATED SALES TAX
 Year Ended December 31, 2012

	2011	2012			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 6,053,474	\$ 5,600,000	\$ 6,100,000	\$ 6,241,082	\$ 141,082
Miscellaneous revenue	-	-	-	323	323
TOTAL REVENUES	6,053,474	5,600,000	6,100,000	6,241,405	141,405
EXPENDITURES					
Personnel	1,053,726	2,727,837	2,402,939	2,590,191	(187,252)
Contractual services	1,021,082	1,027,805	1,025,848	986,877	38,971
Commodities	700,000	13,185	335,406	333,765	1,641
Capital outlay	1,883,175	1,417,800	1,741,536	1,621,848	119,688
TOTAL EXPENDITURES	4,657,983	5,186,627	5,505,729	5,532,681	(26,952)
OTHER FINANCING SOURCES (USES)					
Transfers out	(950,000)	(500,000)	(1,300,000)	(1,253,015)	46,985
TOTAL OTHER FINANCING SOURCES (USES)	(950,000)	(500,000)	(1,300,000)	(1,253,015)	46,985
NET CHANGE IN FUND BALANCE	445,491	(86,627)	(705,729)	(544,291)	161,438
UNENCUMBERED FUND BALANCE					
Beginning of year	289,801	735,292	735,292	735,292	-
End of year	\$ 735,292	\$ 648,665	\$ 29,563	\$ 191,001	\$ 161,438

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: DEVELOPMENTAL DISABILITY
Year Ended December 31, 2012

	2011	2012			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 403,056	\$ 366,765	\$ 384,120	\$ 385,052	\$ 932
Reimbursements	13,659	-	-	23,670	23,670
Miscellaneous revenue	2,913	-	-	120	120
TOTAL REVENUES	419,628	366,765	384,120	408,842	24,722
EXPENDITURES					
Personnel	55,224	217,804	16	14	2
Contractual services	459,387	296,760	460,157	453,970	6,187
Commodities	996	5,734	1,500	1,130	370
Grants, claims, shared revenue	-	-	56,428	-	56,428
Other	-	47,000	22,000	-	22,000
TOTAL EXPENDITURES	515,607	567,298	540,101	455,114	84,987
NET CHANGE IN FUND BALANCE	(95,979)	(200,533)	(155,981)	(46,272)	109,709
UNENCUMBERED FUND BALANCE					
Beginning of year	396,438	300,459	300,459	300,459	-
End of year	<u>\$ 300,459</u>	<u>\$ 99,926</u>	<u>\$ 144,478</u>	<u>\$ 254,187</u>	<u>\$ 109,709</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: ELECTIONS
Year Ended December 31, 2012

	2011	2012			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 1,025,560	\$ 999,407	\$ 1,017,730	\$ 1,027,903	\$ 10,173
Charges for services	3,311	6,000	3,000	2,327	(673)
Miscellaneous revenue	1,308	-	-	360	360
TOTAL REVENUES	1,030,179	1,005,407	1,020,730	1,030,590	9,860
EXPENDITURES					
Personnel	560,960	725,000	689,981	653,846	36,135
Contractual services	213,223	478,000	512,639	301,445	211,194
Commodities	88,625	145,000	162,304	110,636	51,668
Grants, claims, shared revenue	100,000	-	-	-	-
Capital outlay	9,206	10,000	10,000	5,995	4,005
Other	-	55,000	45,000	-	45,000
TOTAL EXPENDITURES	972,014	1,413,000	1,419,924	1,071,922	348,002
NET CHANGE IN FUND BALANCE	58,165	(407,593)	(399,194)	(41,332)	357,862
UNENCUMBERED FUND BALANCE					
Beginning of year	655,651	713,816	713,816	713,816	-
End of year	\$ 713,816	\$ 306,223	\$ 314,622	\$ 672,484	\$ 357,862

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
 BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: ENVIRONMENTAL TRUST
 Year Ended December 31, 2012

	2011	2012			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Charges for services	\$ 933,219	\$ 930,000	\$ 930,000	\$ 925,158	\$ (4,842)
Interest income	4,887	6,400	4,000	2,226	(1,774)
Miscellaneous revenue	6,704	-	-	-	-
TOTAL REVENUES	944,810	936,400	934,000	927,384	(6,616)
EXPENDITURES					
Contractual services	859,163	770,000	770,000	769,943	57
Capital outlay	175	100,000	100,000	62,770	37,230
Other	-	50,000	-	-	-
TOTAL EXPENDITURES	859,338	920,000	870,000	832,713	37,287
NET CHANGE IN FUND BALANCE	85,472	16,400	64,000	94,671	30,671
UNENCUMBERED FUND BALANCE					
Beginning of year	41,417	126,889	126,889	126,889	-
End of year	\$ 126,889	\$ 143,289	\$ 190,889	\$ 221,560	\$ 30,671

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: HEALTH DEPARTMENT
Year Ended December 31, 2012

	2011	2012			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 1,831,844	\$ 1,785,084	\$ 1,818,670	\$ 1,836,705	\$ 18,035
Intergovernmental revenue	19,857	17,000	25,000	21,675	(3,325)
Charges for services	665,901	653,850	650,000	570,191	(79,809)
Licenses and permits	73,125	79,000	77,000	75,275	(1,725)
Miscellaneous revenue	365,096	370,000	356,000	335,159	(20,841)
TOTAL REVENUES	<u>2,955,823</u>	<u>2,904,934</u>	<u>2,926,670</u>	<u>2,839,005</u>	<u>(87,665)</u>
EXPENDITURES					
Personnel	2,201,833	2,387,000	2,417,471	2,409,588	7,883
Contractual services	172,972	413,710	218,936	158,800	60,136
Commodities	155,517	224,820	223,217	196,408	26,809
Capital outlay	77,825	92,000	201,050	200,159	891
Grants, claims, shared revenue	200,000	200,000	200,210	200,210	-
Other	30	100,000	60,900	-	60,900
TOTAL EXPENDITURES	<u>2,808,177</u>	<u>3,417,530</u>	<u>3,321,784</u>	<u>3,165,165</u>	<u>156,619</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	(250,000)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(250,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(102,354)	(512,596)	(395,114)	(326,160)	68,954
UNENCUMBERED FUND BALANCE					
Beginning of year	1,310,563	1,208,209	1,208,209	1,208,209	-
End of year	<u>\$ 1,208,209</u>	<u>\$ 695,613</u>	<u>\$ 813,095</u>	<u>\$ 882,049</u>	<u>\$ 68,954</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
 BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: JAIL COMMISSARY
 Year Ended December 31, 2012

	2011	2012			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Miscellaneous revenue	\$ 19,420	\$ 13,000	\$ 20,000	\$ 17,011	\$ (2,989)
TOTAL REVENUES	<u>19,420</u>	<u>13,000</u>	<u>20,000</u>	<u>17,011</u>	<u>(2,989)</u>
EXPENDITURES					
Contractual services	2,065	-	-	-	-
Commodities	49,295	60,000	60,000	35,176	24,824
TOTAL EXPENDITURES	<u>51,360</u>	<u>60,000</u>	<u>60,000</u>	<u>35,176</u>	<u>24,824</u>
NET CHANGE IN FUND BALANCE	(31,940)	(47,000)	(40,000)	(18,165)	21,835
UNENCUMBERED FUND BALANCE					
Beginning of year	181,705	149,765	149,765	149,765	-
End of year	<u>\$ 149,765</u>	<u>\$ 102,765</u>	<u>\$ 109,765</u>	<u>\$ 131,600</u>	<u>\$ 21,835</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
 BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: LIBRARY
 Year Ended December 31, 2012

	2011	2012			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 1,895,363	\$ 1,815,170	\$ 1,946,500	\$ 1,961,874	\$ 15,374
Interest income	2,976	3,300	1,500	2,005	505
Reimbursements	12,989	-	-	-	-
TOTAL REVENUES	<u>1,911,328</u>	<u>1,818,470</u>	<u>1,948,000</u>	<u>1,963,879</u>	<u>15,879</u>
EXPENDITURES					
Other	1,824,244	1,998,971	1,998,971	1,878,971	120,000
TOTAL EXPENDITURES	<u>1,824,244</u>	<u>1,998,971</u>	<u>1,998,971</u>	<u>1,878,971</u>	<u>120,000</u>
NET CHANGE IN FUND BALANCE	87,084	(180,501)	(50,971)	84,908	135,879
UNENCUMBERED FUND BALANCE					
Beginning of year	294,594	381,678	381,678	381,678	-
End of year	<u>\$ 381,678</u>	<u>\$ 201,177</u>	<u>\$ 330,707</u>	<u>\$ 466,586</u>	<u>\$ 135,879</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
 BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: MENTAL HEALTH
 Year Ended December 31, 2012

	2011	2012			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 413,239	\$ 471,257	\$ 491,130	\$ 490,255	\$ (875)
TOTAL REVENUES	<u>413,239</u>	<u>471,257</u>	<u>491,130</u>	<u>490,255</u>	<u>(875)</u>
EXPENDITURES					
Grants, claims, shared revenue	453,867	508,331	508,331	508,331	-
Other	-	21,000	15,000	-	15,000
TOTAL EXPENDITURES	<u>453,867</u>	<u>529,331</u>	<u>523,331</u>	<u>508,331</u>	<u>15,000</u>
NET CHANGE IN FUND BALANCE	(40,628)	(58,074)	(32,201)	(18,076)	14,125
UNENCUMBERED FUND BALANCE					
Beginning of year	148,052	107,424	107,424	107,424	-
End of year	<u>\$ 107,424</u>	<u>\$ 49,350</u>	<u>\$ 75,223</u>	<u>\$ 89,348</u>	<u>\$ 14,125</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS

BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: REGISTER OF DEEDS TECHNOLOGY FUND

Year Ended December 31, 2012

	2011	2012			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Fines/fees/forfeitures	\$ 123,724	\$ 130,000	\$ 135,000	\$ 149,823	\$ 14,823
Interest income	919	1,600	500	367	(133)
Miscellaneous revenue	1,869	-	-	-	-
TOTAL REVENUES	<u>126,512</u>	<u>131,600</u>	<u>135,500</u>	<u>150,190</u>	<u>14,690</u>
EXPENDITURES					
Personnel	50,000	45,000	45,000	44,997	3
Capital outlay	105,322	120,000	120,000	118,856	1,144
TOTAL EXPENDITURES	<u>155,322</u>	<u>165,000</u>	<u>165,000</u>	<u>163,853</u>	<u>1,147</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	(25,000)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(53,810)	(33,400)	(29,500)	(13,663)	15,837
UNENCUMBERED FUND BALANCE					
Beginning of year	121,286	67,476	67,476	67,476	-
End of year	<u>\$ 67,476</u>	<u>\$ 34,076</u>	<u>\$ 37,976</u>	<u>\$ 53,813</u>	<u>\$ 15,837</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS

BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: SERVICE PROGRAM FOR THE ELDERLY

Year Ended December 31, 2012

	2011	2012			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 1,070,564	\$ 1,158,403	\$ 1,174,250	\$ 1,188,879	\$ 14,629
Miscellaneous revenue	11,011	10,000	10,000	13,201	3,201
TOTAL REVENUES	<u>1,081,575</u>	<u>1,168,403</u>	<u>1,184,250</u>	<u>1,202,080</u>	<u>17,830</u>
EXPENDITURES					
Personnel	912,678	866,620	885,000	894,707	(9,707)
Contractual services	101,464	155,377	126,100	106,912	19,188
Commodities	140,802	131,041	159,096	143,455	15,641
Grants, claims, shared revenue	1,398	109	109	691	(582)
Other	-	15,000	15,000	-	15,000
TOTAL EXPENDITURES	<u>1,156,342</u>	<u>1,168,147</u>	<u>1,185,305</u>	<u>1,145,765</u>	<u>39,540</u>
NET CHANGE IN FUND BALANCE	(74,767)	256	(1,055)	56,315	57,370
UNENCUMBERED FUND BALANCE					
Beginning of year	99,862	25,095	25,095	25,095	-
End of year	<u>\$ 25,095</u>	<u>\$ 25,351</u>	<u>\$ 24,040</u>	<u>\$ 81,410</u>	<u>\$ 57,370</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: SPECIAL 911 TAX

Year Ended December 31, 2012

	2011	2012			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 742,598	\$ 699,000	\$ -	\$ 62	\$ 62
Miscellaneous revenue	5,563	-	-	9,650	9,650
TOTAL REVENUES	<u>748,161</u>	<u>699,000</u>	<u>-</u>	<u>9,712</u>	<u>9,712</u>
EXPENDITURES					
Contractual services	548,532	520,000	490,132	490,132	-
Capital outlay	198,633	111,000	-	-	-
Other	90	50,000	-	-	-
TOTAL EXPENDITURES	<u>747,255</u>	<u>681,000</u>	<u>490,132</u>	<u>490,132</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	(291,000)	(291,000)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(291,000)</u>	<u>(291,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(290,094)	(273,000)	(490,132)	(480,420)	9,712
UNENCUMBERED FUND BALANCE					
Beginning of year	780,226	490,132	490,132	490,132	-
End of year	<u>\$ 490,132</u>	<u>\$ 217,132</u>	<u>\$ -</u>	<u>\$ 9,712</u>	<u>\$ 9,712</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
 BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: SPECIAL 911 TAX - WYANDOTTE COUNTY

Year Ended December 31, 2012

	2011	2012			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ -	\$ -	\$ 700,000	\$ 764,279	\$ 64,279
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>700,000</u>	<u>764,279</u>	<u>64,279</u>
EXPENDITURES					
Contractual services	-	-	32,850	42,549	(9,699)
Capital outlay	-	-	111,000	111,000	-
Other	-	-	40,000	-	40,000
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>183,850</u>	<u>153,549</u>	<u>30,301</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	-	-	(291,000)	(291,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(291,000)</u>	<u>(291,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	225,150	319,730	94,580
UNENCUMBERED FUND BALANCE					
Beginning of year	-	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,150</u>	<u>\$ 319,730</u>	<u>\$ 94,580</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
 BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: SPECIAL ALCOHOL AND DRUG PROGRAMS

Year Ended December 31, 2012

	2011	2012			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 417,822	\$ 438,000	\$ 467,000	\$ 496,575	\$ 29,575
Fines, forfeitures and penalties	83,849	65,000	20,000	13,850	(6,150)
Miscellaneous revenue	1,101	-	-	925	925
TOTAL REVENUES	<u>502,772</u>	<u>503,000</u>	<u>487,000</u>	<u>511,350</u>	<u>24,350</u>
EXPENDITURES					
Personnel	158,222	204,431	211,235	171,225	40,010
Contractual services	108,335	122,450	126,358	39,544	86,814
Commodities	2,633	14,335	11,026	950	10,076
Grants, claims, shared revenue	200,000	250,000	249,401	249,401	-
TOTAL EXPENDITURES	<u>469,190</u>	<u>591,216</u>	<u>598,020</u>	<u>461,120</u>	<u>136,900</u>
NET CHANGE IN FUND BALANCE	33,582	(88,216)	(111,020)	50,230	161,250
UNENCUMBERED FUND BALANCE					
Beginning of year	297,174	330,756	330,756	330,756	-
End of year	<u>\$ 330,756</u>	<u>\$ 242,540</u>	<u>\$ 219,736</u>	<u>\$ 380,986</u>	<u>\$ 161,250</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
 BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: SPECIAL PARKS AND RECREATION

Year Ended December 31, 2012

	2011	2012			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 415,623	\$ 436,000	\$ 465,000	\$ 494,285	\$ 29,285
Miscellaneous revenue	3,385	-	-	-	-
TOTAL REVENUES	<u>419,008</u>	<u>436,000</u>	<u>465,000</u>	<u>494,285</u>	<u>29,285</u>
EXPENDITURES					
Personnel	181,598	185,384	181,913	178,174	3,739
Contractual services	84,395	100,000	90,000	61,937	28,063
Capital outlay	215,961	186,000	231,000	192,030	38,970
TOTAL EXPENDITURES	<u>481,954</u>	<u>471,384</u>	<u>502,913</u>	<u>432,141</u>	<u>70,772</u>
NET CHANGE IN FUND BALANCE	(62,946)	(35,384)	(37,913)	62,144	100,057
UNENCUMBERED FUND BALANCE					
Beginning of year	173,147	110,201	110,201	110,201	-
End of year	<u>\$ 110,201</u>	<u>\$ 74,817</u>	<u>\$ 72,288</u>	<u>\$ 172,345</u>	<u>\$ 100,057</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
 BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: SPECIAL STREET AND HIGHWAY
 Year Ended December 31, 2012

	2011	2012			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Intergovernmental revenue	\$ 6,837,187	\$ 6,620,000	\$ 6,257,000	\$ 6,572,276	\$ 315,276
Miscellaneous revenue	29,750	20,000	345,000	240,338	(104,662)
TOTAL REVENUES	<u>6,866,937</u>	<u>6,640,000</u>	<u>6,602,000</u>	<u>6,812,614</u>	<u>210,614</u>
EXPENDITURES					
Personnel	5,312,010	5,260,000	5,270,000	5,165,283	104,717
Commodities	574,928	350,000	642,000	641,617	383
Capital outlay	980,938	1,081,779	700,779	687,739	13,040
Grants, claims, shared revenue	10,354	15,000	15,000	14,476	524
Other	-	325	-	-	-
TOTAL EXPENDITURES	<u>6,878,230</u>	<u>6,707,104</u>	<u>6,627,779</u>	<u>6,509,115</u>	<u>118,664</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	(13,325)	(13,000)	(13,000)	(13,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(13,325)</u>	<u>(13,000)</u>	<u>(13,000)</u>	<u>(13,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(24,618)	(80,104)	(38,779)	290,499	329,278
UNENCUMBERED FUND BALANCE					
Beginning of year	307,774	283,156	283,156	283,156	-
End of year	<u>\$ 283,156</u>	<u>\$ 203,052</u>	<u>\$ 244,377</u>	<u>\$ 573,655</u>	<u>\$ 329,278</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
 BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

SPECIAL REVENUE FUND: TOURISM AND CONVENTION PROMOTION
 Year Ended December 31, 2012

	2011	2012			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 783,912	\$ 648,500	\$ 705,000	\$ 778,402	\$ 73,402
TOTAL REVENUES	<u>783,912</u>	<u>648,500</u>	<u>705,000</u>	<u>778,402</u>	<u>73,402</u>
EXPENDITURES					
Grants, claims, shared revenue	607,500	607,500	607,500	607,500	-
Debt service	30,000	40,000	140,000	140,000	-
TOTAL EXPENDITURES	<u>637,500</u>	<u>647,500</u>	<u>747,500</u>	<u>747,500</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	146,412	1,000	(42,500)	30,902	73,402
UNENCUMBERED FUND BALANCE					
Beginning of year	6,053	152,465	152,465	152,465	-
End of year	<u>\$ 152,465</u>	<u>\$ 153,465</u>	<u>\$ 109,965</u>	<u>\$ 183,367</u>	<u>\$ 73,402</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS

BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

DEBT SERVICE FUND - CITY
Year Ended December 31, 2012

	2011	2012			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 19,900,015	\$ 20,352,715	\$ 18,998,320	\$ 19,142,220	\$ 143,900
Intergovernmental revenue	58,826	799,739	696,224	18,713	(677,511)
Interest income	49,532	87,600	45,000	9,898	(35,102)
Miscellaneous revenue	1,639,249	847,702	832,151	1,498,187	666,036
TOTAL REVENUES	<u>21,647,622</u>	<u>22,087,756</u>	<u>20,571,695</u>	<u>20,669,018</u>	<u>97,323</u>
EXPENDITURES					
Debt service	26,123,785	26,770,676	26,553,767	25,554,012	999,755
TOTAL EXPENDITURES	<u>26,123,785</u>	<u>26,770,676</u>	<u>26,553,767</u>	<u>25,554,012</u>	<u>999,755</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	4,262,300	3,827,583	4,077,582	3,944,971	(132,611)
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,262,300</u>	<u>3,827,583</u>	<u>4,077,582</u>	<u>3,944,971</u>	<u>(132,611)</u>
NET CHANGE IN FUND BALANCE	(213,863)	(855,337)	(1,904,490)	(940,023)	964,467
UNENCUMBERED FUND BALANCE					
Beginning of year	2,998,967	2,785,104	2,785,104	2,785,104	-
End of year	<u>\$ 2,785,104</u>	<u>\$ 1,929,767</u>	<u>\$ 880,614</u>	<u>\$ 1,845,081</u>	<u>\$ 964,467</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS

BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

DEBT SERVICE FUND - COUNTY
Year Ended December 31, 2012

	2011	2012			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 1,005,544	\$ 954,242	\$ 982,480	\$ 986,589	\$ 4,109
Interest income	5,426	13,700	5,000	2,044	(2,956)
Miscellaneous Revenue	-	-	124,736	124,736	-
TOTAL REVENUES	<u>1,010,970</u>	<u>967,942</u>	<u>1,112,216</u>	<u>1,113,369</u>	<u>1,153</u>
EXPENDITURES					
Debt service	1,104,344	1,116,950	1,146,950	1,059,458	87,492
TOTAL EXPENDITURES	<u>1,104,344</u>	<u>1,116,950</u>	<u>1,146,950</u>	<u>1,059,458</u>	<u>87,492</u>
NET CHANGE IN FUND BALANCE	(93,374)	(149,008)	(34,734)	53,911	88,645
UNENCUMBERED FUND BALANCE					
Beginning of year	341,879	248,505	248,505	248,505	-
End of year	<u>\$ 248,505</u>	<u>\$ 99,497</u>	<u>\$ 213,771</u>	<u>\$ 302,416</u>	<u>\$ 88,645</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS

BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

CAPITAL PROJECTS FUND: COUNTY INITIATIVE TO FUND INFRASTRUCTURE
Year Ended December 31, 2012

	2011	2012			Variance with Final Budget- Positive (Negative)
	Actual Amounts	Budget Amounts		Actual Amounts	
		Original	Final Amended		
REVENUES					
Tax revenue	\$ 12,632	\$ -	\$ 9,700	\$ 7,357	\$ (2,343)
Miscellaneous revenue	16,828	-	-	-	-
TOTAL REVENUES	<u>29,460</u>	<u>-</u>	<u>9,700</u>	<u>7,357</u>	<u>(2,343)</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	(12,262)	-	(31,449)	(29,106)	2,343
TOTAL OTHER FINANCING SOURCES (USES)	<u>(12,262)</u>	<u>-</u>	<u>(31,449)</u>	<u>(29,106)</u>	<u>2,343</u>
NET CHANGE IN FUND BALANCE	17,198	-	(21,749)	(21,749)	-
UNENCUMBERED FUND BALANCE					
Beginning of year	4,551	21,749	21,749	21,749	-
End of year	<u>\$ 21,749</u>	<u>\$ 21,749</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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ENTREPRISE FUNDS

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended DECEMBER 31, 2012

ENTERPRISE FUNDS

Revenues from user service fees directly fund the five (5) funds contained in the Enterprise Funds.

The **Sewer System Enterprise Fund** provides financing for Water Pollution Control and is responsible for day-to-day and future operations, routine system maintenance and payment on revenue bonds.

The **Board of Public Utilities (BPU)** is the Unified Government's Utility System managed, operated, maintained and controlled on a day-to-day basis by the Board of Public Utilities, which is an administrative agency of the Unified Government. The BPU operates the water and electric utilities owned by the Unified Government.

Statements for these major enterprise funds are included in the Basic Financial Statements found in the Financial Section of this document. A *comparative* budgetary schedule of the Sewer System Fund is presented here.

NONMAJOR ENTERPRISE FUNDS

The **Emergency Medical Services Fund** was established on January 1, 2005 to pay for emergency medical services, including ambulance transport, which are provided by the Kansas City, Kansas Fire Department. Primary sources of revenue are a one-fourth cent public safety sales tax, which was passed by Kansas City, Kansas voters on June 8, 2004 and charges for services.

The **Public Levee Enterprise Fund** expends lease income revenues to pay operation of and improvements to office and warehouse space located in the Fairfax Industrial District. The facility contains approximately 560,000 square feet of industrial and office space on approximately 111 acres.

The **Stormwater Utility Enterprise Fund** receives revenue from the Stormwater Utility fee that is used to fund the operations, maintenance, capital improvements and debt service for the Unified Government's Municipal Separate Storm Sewer system.

The **Sunflower Hills Golf Course Fund**, established through an interlocal agreement, provides funding for an 18-hole, 192-acre championship golf course and clubhouse facilities. Revenues are generated from greens fees, cart rentals and concessions.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING STATEMENT OF NET POSITION

NONMAJOR ENTERPRISE FUNDS

As of December 31, 2012

	EMS	Public Levee	Stormwater Enterprise	Sunflower Hills Golf Course	Totals Nonmajor Funds
ASSETS					
Cash and temporary investments	\$ 664,981	\$ 415,616	\$ 2,823,137	\$ 76,164	\$ 3,979,898
Restricted cash and temporary investments	-	53,063	-	-	53,063
Receivables (net uncollectible)					
Taxes	770,030	-	-	-	770,030
Accounts and returns	1,319,041	55,950	282,311	44	1,657,346
Interest	6,923	4,388	28,091	917	40,319
Capital assets	2,407,961	7,836,443	3,185,800	5,597,833	19,028,037
Construction in progress	-	-	2,009,979	-	2,009,979
Accumulated depreciation	(742,354)	(4,860,392)	(47,153)	(3,699,567)	(9,349,466)
TOTAL ASSETS	\$ 4,426,582	\$ 3,505,068	\$ 8,282,165	\$ 1,975,391	\$ 18,189,206
LIABILITIES					
CURRENT LIABILITIES					
Accounts and contracts payable	\$ 217,722	\$ 10,197	\$ 24,983	\$ 9,682	\$ 262,584
Accrued wages and other	255,074	11,405	-	5,595	272,074
Accrued interest payable	-	59,739	67,583	21,635	148,957
Due to others	-	162,233	-	-	162,233
Due to other funds	719,640	-	-	346,676	1,066,316
Unearned revenue	-	20,000	-	-	20,000
Compensated absences payable	108,403	6,386	-	1,512	116,301
Current maturities of long-term debt	264,988	145,000	98,365	210,082	718,435
Total current liabilities	1,565,827	414,960	190,931	595,182	2,766,900
LONG-TERM LIABILITIES					
Compensated absences payable	1,839,014	108,332	-	25,656	1,973,002
Capital lease payable	134,704	-	-	62,391	197,095
General obligation bonds payable	-	2,470,000	3,359,216	1,035,000	6,864,216
OPEB liability	2,105,803	186,704	125,684	123,200	2,541,391
Total long-term liabilities	4,079,521	2,765,036	3,484,900	1,246,247	11,575,704
TOTAL LIABILITIES	5,645,348	3,179,996	3,675,831	1,841,429	14,342,604
NET POSITION					
Net investment in capital assets	546,275	361,051	1,691,045	590,793	3,189,164
Unrestricted	(1,765,041)	(35,979)	2,915,289	(456,831)	657,438
TOTAL NET POSITION	(1,218,766)	325,072	4,606,334	133,962	3,846,602
TOTAL LIABILITIES AND NET POSITION	\$ 4,426,582	\$ 3,505,068	\$ 8,282,165	\$ 1,975,391	\$ 18,189,206

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION

NONMAJOR ENTERPRISE FUNDS
Year ended December 31, 2012

	EMS	Public Levee	Stormwater Enterprise	Sunflower Hills Golf Course	Totals Nonmajor Funds
OPERATING REVENUES					
Charges for service	\$ 4,589,845	\$ -	\$ -	\$ 707,015	\$ 5,296,860
Intergovernmental	-	-	117,084	-	117,084
Fines/forfeits/fees	-	4,725	3,312,463	-	3,317,188
Earned lease income	-	815,345	-	-	815,345
TOTAL OPERATING REVENUES	4,589,845	820,070	3,429,547	707,015	9,546,477
OPERATING EXPENSES					
EMS	6,785,123	-	-	-	6,785,123
Public Levee	-	822,287	-	-	822,287
Stormwater Enterprise	-	-	1,360,894	-	1,360,894
Sunflower Hills Golf Course	-	-	-	594,104	594,104
Depreciation and amortization	368,296	192,027	30,744	173,089	764,156
TOTAL OPERATING EXPENSES	7,153,419	1,014,314	1,391,638	767,193	10,326,564
Operating income (loss)	(2,563,574)	(194,244)	2,037,909	(60,178)	(780,087)
NON-OPERATING REVENUES (EXPENSES)					
Taxes	4,218,676	-	-	-	4,218,676
Interest earnings	6,899	4,742	46,800	1,116	59,557
Interest expense	(13,404)	(147,701)	(120,578)	(57,932)	(339,615)
Loss on disposal of assets	(226,104)	-	-	-	(226,104)
TOTAL NON-OPERATING REVENUES (EXPENSES)	3,986,067	(142,959)	(73,778)	(56,816)	3,712,514
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,422,493	(337,203)	1,964,131	(116,994)	2,932,427
Transfers in	410,291	-	-	32,053	442,344
Transfers out	(2,256,000)	-	(672,661)	-	(2,928,661)
Capital contributions-local government	-	-	589,558	-	589,558
TOTAL CONTRIBUTIONS AND TRANSFERS	(1,845,709)	-	(83,103)	32,053	(1,896,759)
CHANGE IN NET POSITION	(423,216)	(337,203)	1,881,028	(84,941)	1,035,668
Beginning of year	(795,550)	662,275	2,725,306	218,903	2,810,934
End of year	\$ (1,218,766)	\$ 325,072	\$ 4,606,334	\$ 133,962	\$ 3,846,602

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

Year ended December 31, 2012

	EMS	Public Levee	Stromwater Enterprise	Sunflower Hills Golf Course	Totals Nonmajor Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 4,561,915	\$ 796,551	\$ 3,396,022	\$ 717,697	\$ 9,472,185
Payments to suppliers	(1,284,855)	(380,201)	(728,226)	(184,686)	(2,577,968)
Payments to employees	(4,816,740)	(415,702)	(600,000)	(257,655)	(6,090,097)
NET CASH FLOW FROM OPERATING ACTIVITIES	(1,539,680)	648	2,067,796	275,356	804,120
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Receipts from sales taxes	4,160,721	-	-	-	4,160,721
Transfer in	410,291	-	-	32,053	442,344
Transfers out	(2,256,000)	-	(672,661)	-	(2,928,661)
NET CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES	2,315,012	-	(672,661)	32,053	1,674,404
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal paid on bonds	-	(140,000)	(60,135)	(175,000)	(375,135)
Principal paid on capital lease	(401,496)	-	-	(29,363)	(430,859)
Proceeds from issuance of bonds	-	-	672,661	-	672,661
Interest paid on bonds and capital leases	(13,404)	(150,793)	(126,446)	(60,303)	(350,946)
Acquisition of capital assets	-	-	(929,018)	-	(929,018)
NET CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES	(414,900)	(290,793)	(442,938)	(264,666)	(1,413,297)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	(24)	3,718	40,327	199	44,220
NET CASH FLOW FROM INVESTING ACTIVITIES	(24)	3,718	40,327	199	44,220
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	360,408	(286,427)	992,524	42,942	1,109,447
CASH AND CASH EQUIVALENTS					
Beginning of year	304,573	755,106	1,830,613	33,222	2,923,514
End of year	\$ 664,981	\$ 468,679	\$ 2,823,137	\$ 76,164	\$ 4,032,961
Cash and temporary investments	\$ 664,981	\$ 415,616	\$ 2,823,137	\$ 76,164	\$ 3,979,898
Cash and cash equivalents, reported as restricted cash	-	53,063	-	-	53,063
	\$ 664,981	\$ 468,679	\$ 2,823,137	\$ 76,164	\$ 4,032,961

	EMS	Public Levee	Stormwater Enterprise	Sunflower Hills Golf Course	Totals Nonmajor Funds
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ (2,563,574)	\$ (194,244)	\$ 2,037,909	\$ (60,178)	\$ (780,087)
Adjustments to reconcile operating income (loss) to cash flow from operating activities					
Depreciation and amortization	368,296	192,027	30,744	173,089	764,156
Changes in assets and liabilities					
Accounts receivable	(27,930)	(23,519)	(33,525)	10,682	(74,292)
Due from other funds	5,824	-	-	-	5,824
Accrued wages and expenses	69,993	3,233	-	1,388	74,614
Accounts payable	109,123	(22,074)	8,561	3,570	99,180
Accrued vacation and sick pay	302,246	20,583	-	3,785	326,614
Due to others	-	7,810	-	-	7,810
Due to other funds	-	-	-	132,612	132,612
OPEB liability	196,342	16,832	24,107	10,408	247,689
NET CASH FROM OPERATING ACTIVITIES	\$ (1,539,680)	\$ 648	\$ 2,067,796	\$ 275,356	\$ 804,120
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions-local government	\$ -	\$ -	\$ 589,588	\$ -	\$ 589,588
Property, plant and equipment acquired with capital leases	719,640	-	-	-	719,640

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

ENTERPRISE FUND: SEWER SYSTEM
Year ended December 31, 2012

	2011	2012			Variance with Final Budget - Positive (Negative)
	Actual Amounts	Budgeted Amounts		Actual Amounts	
		Original	Final Amended		
OPERATING REVENUES					
Charges for services	\$ 23,943,607	\$ 25,424,100	\$ 25,004,100	\$ 26,271,586	\$ 1,267,486
Permits and licenses	155,677	314,000	274,000	573,386	299,386
Miscellaneous revenues	106,493	37,500	37,500	32,875	(4,625)
TOTAL OPERATING REVENUES	<u>24,205,777</u>	<u>25,775,600</u>	<u>25,315,600</u>	<u>26,877,847</u>	<u>1,562,247</u>
OPERATING EXPENSES					
Personnel costs	7,113,974	7,080,625	7,200,205	7,219,199	(18,994)
Contractual services	1,986,318	2,152,533	2,106,561	1,895,100	211,461
Commodities	2,589,723	2,993,180	2,807,417	2,641,903	165,514
Capital outlay	2,163,964	3,882,394	6,147,394	5,078,247	1,069,147
Grants, claims and shared revenue	3,930,599	4,350,354	4,276,404	4,148,946	127,458
Other	91,000	296,000	745,350	91,000	654,350
TOTAL OPERATING EXPENSES	<u>17,875,578</u>	<u>20,755,086</u>	<u>23,283,331</u>	<u>21,074,395</u>	<u>2,208,936</u>
Net operating income (loss)	<u>6,330,199</u>	<u>5,020,514</u>	<u>2,032,269</u>	<u>5,803,452</u>	<u>3,771,183</u>
NON-OPERATING REVENUES (EXPENSES)					
Tax revenue	236,789	140,200	170,000	163,093	(6,907)
Interest earnings	78,790	87,600	80,000	107,625	27,625
Debt service	(1,819,683)	(1,891,400)	(1,780,000)	(1,779,149)	851
Transfers out: debt service	(2,742,163)	(2,569,631)	(2,569,630)	(2,637,928)	(68,298)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(4,246,267)</u>	<u>(4,233,231)</u>	<u>(4,099,630)</u>	<u>(4,146,359)</u>	<u>(46,729)</u>
NET CHANGE IN UNENCUMBERED FUND BALANCE	<u>2,083,932</u>	<u>787,283</u>	<u>(2,067,361)</u>	<u>1,657,093</u>	<u>3,724,454</u>
UNENCUMBERED FUND BALANCE					
Beginning of year	5,564,354	7,648,286	7,648,286	7,648,286	-
End of year	<u>\$ 7,648,286</u>	<u>\$ 8,435,569</u>	<u>\$ 5,580,925</u>	<u>\$ 9,305,379</u>	<u>\$ 3,724,454</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

ENTERPRISE FUND: EMERGENCY MEDICAL SERVICE
Year ended December 31, 2012

	2011	2012			Variance with Final Budget - Positive (Negative)
	Actual Amounts	Budgeted Amounts		Actual Amounts	
		Original	Final Amended		
OPERATING REVENUES					
Charges for service	\$ 4,383,301	\$ 4,491,000	\$ 4,709,000	\$ 4,589,845	\$ (119,155)
Miscellaneous revenues	838	4,000	4,000	53	(3,947)
TOTAL OPERATING REVENUES	<u>4,384,139</u>	<u>4,495,000</u>	<u>4,713,000</u>	<u>4,589,898</u>	<u>(123,102)</u>
OPERATING EXPENSES					
Personnel costs	4,614,636	4,572,544	4,673,768	4,886,733	(212,965)
Contractual services	485,333	518,449	519,784	519,740	44
Commodities	653,861	659,571	778,246	778,196	50
Capital outlay	212,626	327,303	354,204	304,610	49,594
Grants, claims, shared revenue	479,341	234,413	244,928	100,000	144,928
Other	-	50,000	98,190	-	98,190
TOTAL OPERATING EXPENSES	<u>6,445,797</u>	<u>6,362,280</u>	<u>6,669,120</u>	<u>6,589,279</u>	<u>79,841</u>
Net operating income (loss)	<u>(2,061,658)</u>	<u>(1,867,280)</u>	<u>(1,956,120)</u>	<u>(1,999,381)</u>	<u>(43,261)</u>
NON-OPERATING REVENUES (EXPENSES)					
Tax revenue	4,035,294	3,670,000	4,050,000	4,160,721	110,721
Interest earnings	5,079	3,600	3,600	5,051	1,451
Transfers out	(2,606,000)	(2,256,000)	(2,256,000)	(2,256,000)	-
Transfers in	950,000	500,000	300,000	300,000	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>2,384,373</u>	<u>1,917,600</u>	<u>2,097,600</u>	<u>2,209,772</u>	<u>112,172</u>
NET CHANGE IN UNENCUMBERED FUND BALANCE	322,715	50,320	141,480	210,391	68,911
UNENCUMBERED FUND BALANCE					
Beginning of year	39,062	361,777	361,777	361,777	-
End of year	<u>\$ 361,777</u>	<u>\$ 412,097</u>	<u>\$ 503,257</u>	<u>\$ 572,168</u>	<u>\$ 68,911</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

SCHEDULE OF BUDGETARY ACCOUNTS
BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)

ENTERPRISE FUND: PUBLIC LEVEE
Year ended December 31, 2012

	2011	2012			Variance with Final Budget - Positive (Negative)
	Actual Amounts	Budgeted Amounts		Actual Amounts	
		Original	Final Amended		
OPERATING REVENUES					
Fines/forfeits/fees	\$ 4,225	\$ 6,000	\$ 6,000	\$ 4,725	\$ (1,275)
Miscellaneous revenues	865,418	957,000	780,000	820,130	40,130
TOTAL OPERATING REVENUES	869,643	963,000	786,000	824,855	38,855
OPERATING EXPENSES					
Personnel costs	344,324	340,000	414,425	418,935	(4,510)
Contractual services	211,788	260,306	258,767	171,703	87,064
Commodities	97,152	124,638	101,993	83,591	18,402
Capital outlay	6,265	30,000	40,000	19,442	20,558
Grants, claims, shared revenue	88,921	95,085	89,220	83,147	6,073
Other expenses	-	25,701	25,701	-	25,701
TOTAL OPERATING EXPENSES	748,450	875,730	930,106	776,818	153,288
Net operating income (loss)	121,193	87,270	(144,106)	48,037	192,143
NON-OPERATING REVENUES (EXPENSES)					
Interest earnings	8,152	10,100	8,000	3,716	(4,284)
Transfers out: debt service	(287,618)	(290,793)	(290,793)	(290,793)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(279,466)	(280,693)	(282,793)	(287,077)	(4,284)
NET CHANGE IN UNENCUMBERED FUND BALANC	(158,273)	(193,423)	(426,899)	(239,040)	187,859
UNENCUMBERED FUND BALANCE					
Beginning of year	707,139	548,866	548,866	548,866	-
End of year	\$ 548,866	\$ 355,443	\$ 121,967	\$ 309,826	\$ 187,859

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

**SCHEDULE OF BUDGETARY ACCOUNTS
BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)**

**ENTERPRISE FUND: STORMWATER ENTERPRISE
Year ended December 31, 2012**

	2011	2012			Variance with Final Budget - Positive (Negative)
	Actual Amounts	Budgeted Amounts		Actual Amounts	
		Original	Final Amended		
OPERATING REVENUES					
Fines/forfeits/fees	\$ 2,921,110	\$ 3,300,000	\$ 3,300,000	\$ 3,312,463	\$ 12,463
Intergovernmental revenue	10,103	-	118,000	117,084	(916)
TOTAL OPERATING REVENUES	<u>2,931,213</u>	<u>3,300,000</u>	<u>3,418,000</u>	<u>3,429,547</u>	<u>11,547</u>
OPERATING EXPENSES					
Personnel costs	600,000	600,000	600,000	600,000	-
Contractual services	47,299	380,000	374,300	70,605	303,695
Capital outlay	1,006,239	1,800,000	2,175,000	1,992,038	182,962
Grants, claims, shared revenue	233,153	217,516	274,183	270,478	3,705
Other expenses	-	300,001	400,000	-	400,000
TOTAL OPERATING EXPENSES	<u>1,886,691</u>	<u>3,297,517</u>	<u>3,823,483</u>	<u>2,933,121</u>	<u>890,362</u>
Net operating income (loss)	1,044,522	2,483	(405,483)	496,426	901,909
NON-OPERATING REVENUES (EXPENSES)					
Interest earnings	16,310	13,700	13,700	14,543	843
Transfers out: debt service	(255,061)	(180,548)	(180,548)	(180,548)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(238,751)</u>	<u>(166,848)</u>	<u>(166,848)</u>	<u>(166,005)</u>	<u>843</u>
NET CHANGE IN UNENCUMBERED FUND BALANC	805,771	(164,365)	(572,331)	330,421	902,752
UNENCUMBERED FUND BALANCE					
Beginning of year	986,736	1,792,507	1,792,507	1,792,507	-
End of year	<u>\$ 1,792,507</u>	<u>\$ 1,628,142</u>	<u>\$ 1,220,176</u>	<u>\$ 2,122,928</u>	<u>\$ 902,752</u>

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

**SCHEDULE OF BUDGETARY ACCOUNTS
BUDGET AND ACTUAL - BUDGETARY BASIS (NON-GAAP)**

**ENTERPRISE FUND: SUNFLOWER HILLS GOLF COURSE
Year ended December 31, 2012**

	2011	2012			Variance with Final Budget - Positive (Negative)
	Actual Amounts	Budgeted Amounts		Actual Amounts	
		Original	Final Amended		
OPERATING REVENUES					
Charges for service	\$ 635,402	\$ 762,000	\$ 802,500	\$ 707,015	\$ (95,485)
Miscellaneous revenues	630	50,000	80,000	-	(80,000)
TOTAL OPERATING REVENUES	<u>636,032</u>	<u>812,000</u>	<u>882,500</u>	<u>707,015</u>	<u>(175,485)</u>
OPERATING EXPENSES					
Personnel costs	249,724	245,000	242,721	259,044	(16,323)
Contractual services	151,472	156,945	161,457	159,397	2,060
Commodities	136,655	131,855	165,707	161,472	4,235
Capital outlay	19,980	20,000	-	-	-
Other expenses	-	25,000	75,000	-	75,000
TOTAL OPERATING EXPENSES	<u>557,831</u>	<u>578,800</u>	<u>644,885</u>	<u>579,913</u>	<u>64,972</u>
Net operating income (loss)	<u>78,201</u>	<u>233,200</u>	<u>237,615</u>	<u>127,102</u>	<u>(110,513)</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest earnings	616	100	100	680	580
Transfers out: debt service	(75,000)	(232,613)	(232,613)	(100,000)	132,613
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(74,384)</u>	<u>(232,513)</u>	<u>(232,513)</u>	<u>(99,320)</u>	<u>133,193</u>
NET CHANGE IN UNENCUMBERED FUND BALANCE	<u>3,817</u>	<u>687</u>	<u>5,102</u>	<u>27,782</u>	<u>22,680</u>
UNENCUMBERED FUND BALANCE					
Beginning of year	13,571	17,388	17,388	17,388	-
End of year	<u>\$ 17,388</u>	<u>\$ 18,075</u>	<u>\$ 22,490</u>	<u>\$ 45,170</u>	<u>\$ 22,680</u>

INTERNAL SERVICE FUNDS

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended DECEMBER 31, 2012

INTERNAL SERVICE FUNDS

The Internal Service Funds section is comprised of three (3) funds. These funds derive their revenues primarily from other Unified Government units and exist to support the implementation of a function. These funds are:

The **Workers' Compensation Fund** receives revenue from the Unified Government and pays claims submitted by Unified Government employees related to injuries incurred on the job. The fund also pays for administrative services associated with claims review.

The **Employees' Hospitalization Fund** receives premium revenue from former employees, from current employees to the extent of their contribution, and from the Unified Government as the employer's share of premiums for health insurance. Expenses include claims paid on behalf of employees and covered dependents, insurance premiums to the Health Plans, administrative services associated with claims review of self-insured plans, and stop-loss insurance premiums for the self-insured plans.

The **Section 125 – Cafeteria Plan** receives deductions from employees' salary and reimburses employees for expenses related to medical claims or dependent care. All contributions not claimed by employees revert to the Unified Government.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

As of December 31, 2012

	Workers' Compensation	Self-Insured Health Care	Cafeteria Plan (Section 125)	Totals 2012
ASSETS				
Cash and investments	\$ -	\$ 2,195,958	\$ 102,984	\$ 2,298,942
Restricted cash	7,203	3,723,775	-	3,730,978
Accounts receivable	-	92,060	115	92,175
Interest receivable	-	53,541	-	53,541
TOTAL ASSETS	\$ 7,203	\$ 6,065,334	\$ 103,099	\$ 6,175,636
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 15,431	\$ 340,892	\$ -	\$ 356,323
Due to others	-	78,810	-	78,810
Due to other funds	2,416,712	-	-	2,416,712
Claims incurred but not reported	1,698,000	1,787,000	-	3,485,000
Total current liabilities	4,130,143	2,206,702	-	6,336,845
LONG-TERM LIABILITIES				
Claims incurred but not reported	1,302,000	-	-	1,302,000
Total long-term liabilities	1,302,000	-	-	1,302,000
TOTAL LIABILITIES	5,432,143	2,206,702	-	7,638,845
NET POSITION				
Net position	(5,424,940)	3,858,632	103,099	(1,463,209)
TOTAL LIABILITIES AND NET POSITION	\$ 7,203	\$ 6,065,334	\$ 103,099	\$ 6,175,636

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

ALL INTERNAL SERVICE FUNDS

Year ended December 31, 2012

	Workers' Compensation	Self-Insured Health Care	Cafeteria Plan (Section 125)	Totals	
				2012	2011
OPERATING REVENUES					
Miscellaneous revenues	\$ 1,442,842	\$ 26,185,670	\$ 440,271	\$ 28,068,783	\$ 26,821,379
Reimbursements	15,709	970,268	-	985,977	402,948
TOTAL OPERATING REVENUES	1,458,551	27,155,938	440,271	29,054,760	27,224,327
OPERATING EXPENSES					
Contractual services	294,518	3,022,252	-	3,316,770	3,298,897
Grants, claims, shared revenue	1,238,532	26,681,796	442,998	28,363,326	25,281,852
TOTAL OPERATING EXPENSES	1,533,050	29,704,048	442,998	31,680,096	28,580,749
Net operating income (loss)	(74,499)	(2,548,110)	(2,727)	(2,625,336)	(1,356,422)
NON-OPERATING REVENUE					
Interest income	-	177,114	-	177,114	2,562
TOTAL NON-OPERATING REVENUES	-	177,114	-	177,114	2,562
NET INCOME (LOSS)	(74,499)	(2,370,996)	(2,727)	(2,448,222)	(1,353,860)
NET POSITON					
Beginning of year	(5,350,441)	6,229,628	105,826	985,013	2,338,873
End of year	\$ (5,424,940)	\$ 3,858,632	\$ 103,099	\$ (1,463,209)	\$ 985,013

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

Year ended December 31, 2012

	Workers' Compensation	Self-Insured Health Care	Cafeteria Plan (Section 125)	Totals 2012
CASH FLOWS FROM OPERATING				
ACTIVITIES:				
Receipts from customers	\$ 1,458,551	\$ 27,139,296	\$ 440,271	\$ 29,038,118
Payments to employees and suppliers	(1,458,551)	(29,535,856)	(442,998)	(31,437,405)
OPERATING ACTIVITIES	-	(2,396,560)	(2,727)	(2,399,287)
CASH FLOWS FROM INVESTING				
ACTIVITIES:				
Interest on investments	-	123,573	-	123,573
NET CASH FLOW FROM				
INVESTING ACTIVITIES	-	123,573	-	123,573
NET INCREASE (DECREASE) IN				
CASH AND CASH EQUIVALENTS	-	(2,272,987)	(2,727)	(2,275,714)
CASH AND CASH EQUIVALENTS				
Beginning of year	7,203	8,192,720	105,711	8,305,634
End of year	\$ 7,203	\$ 5,919,733	\$ 102,984	\$ 6,029,920
RECONCILIATION OF OPERATING INCOME				
TO CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (74,499)	\$ (2,548,110)	\$ (2,727)	\$ (2,625,336)
Changes in assets and liabilities				
Accounts receivable	-	(16,642)	-	(16,642)
Accounts payable	15,431	210,101	-	225,532
Claims incurred	(450,000)	(48,000)	-	(498,000)
Due to other funds	-	(1,697)	-	(1,697)
Due to others	509,068	7,788	-	516,856
	\$ -	\$ (2,396,560)	\$ (2,727)	\$ (2,399,287)

AGENCY FUNDS

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended DECEMBER 31, 2012

AGENCY FUNDS

An Agency Fund holds money for short periods of time operating primarily as a clearing account. All cash balances are offset by amounts due to others.

Agency funds render custodial care to assets pending disbursement to outside entities and include:

- Agency Fund
- ETAC Police Chiefs' Fund
- Fire Insurance
- Kansas State Withholding
- Payroll Deductions
- Register of Deeds
- Sheriff
- Tax Collection
- Tax Distribution
- U.S. Savings Bonds

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS
Year ended December 31, 2012

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

	Balance		Balance	
	Jan 1, 2012	Additions	Deductions	Dec 31, 2012
<u>AGENCY FUND</u>				
ASSETS				
Cash and investments	\$ 98,974	\$ 599,918	\$ 582,103	\$ 116,789
TOTAL ASSETS	\$ 98,974	\$ 599,918	\$ 582,103	\$ 116,789
LIABILITIES				
Accounts payable	\$ 60,638	\$ 1,128,360	\$ 1,129,803	\$ 59,195
Due to others	37,311	46,371	27,488	56,194
Due to other governments	1,025	2,850	2,475	1,400
TOTAL LIABILITIES	\$ 98,974	\$ 1,177,581	\$ 1,159,766	\$ 116,789
<u>ETAC POLICE CHIEF'S ASSOCIATION</u>				
ASSETS				
Cash and investments	\$ 7,724	\$ 37	\$ -	\$ 7,761
Accounts receivable	137,084	84	78	137,090
TOTAL ASSETS	\$ 144,808	\$ 121	\$ 78	\$ 144,851
LIABILITIES				
Accounts payable	\$ 137,050	\$ -	\$ -	\$ 137,050
Due to others	7,758	121	78	7,801
TOTAL LIABILITIES	\$ 144,808	\$ 121	\$ 78	\$ 144,851
<u>FIRE INSURANCE PROCEEDS</u>				
ASSETS				
Cash and investments	\$ 354,098	\$ 340,262	\$ 404,420	\$ 289,940
TOTAL ASSETS	\$ 354,098	\$ 340,262	\$ 404,420	\$ 289,940
LIABILITIES				
Due to others	\$ 354,098	\$ 340,682	\$ 404,840	\$ 289,940
TOTAL LIABILITIES	\$ 354,098	\$ 340,682	\$ 404,840	\$ 289,940
<u>KANSAS STATE WITHHOLDING</u>				
ASSETS				
Cash and investments	\$ (58)	\$ 5,179,385	\$ 5,180,155	\$ (828)
Due from other funds	-	1,381,707	1,381,707	-
TOTAL ASSETS	\$ (58)	\$ 6,561,092	\$ 6,561,862	\$ (828)
LIABILITIES				
Due to other governments	\$ (58)	\$ 5,179,385	\$ 5,180,155	\$ (828)
TOTAL LIABILITIES	\$ (58)	\$ 5,179,385	\$ 5,180,155	\$ (828)

continued

	Balance			Balance
	Jan 1, 2012	Additions	Deductions	Dec 31, 2012
<u>PAYROLL DEDUCTIONS CLEARING</u>				
ASSETS				
Cash and investments	\$ 105,131	\$ 83,042,275	\$ 83,050,739	\$ 96,667
Due from other funds	-	22,704,245	22,704,245	-
TOTAL ASSETS	\$ 105,131	\$ 105,746,520	\$ 105,754,984	\$ 96,667
LIABILITIES				
Accounts payable	\$ 105,131	\$ 118,433,746	\$ 118,442,210	\$ 96,667
TOTAL LIABILITIES	\$ 105,131	\$ 118,433,746	\$ 118,442,210	\$ 96,667
<u>REGISTER OF DEEDS</u>				
ASSETS				
Cash and investments	\$ 31,368	\$ 1,906,158	\$ 1,900,920	\$ 36,606
TOTAL ASSETS	\$ 31,368	\$ 1,906,158	\$ 1,900,920	\$ 36,606
LIABILITIES				
Due to other governments	\$ 31,368	\$ 1,906,158	\$ 1,900,920	\$ 36,606
TOTAL LIABILITIES	\$ 31,368	\$ 1,906,158	\$ 1,900,920	\$ 36,606
<u>SHERIFF</u>				
ASSETS				
Cash and investments	\$ 218,472	\$ 1,072,283	\$ 1,262,320	\$ 28,435
TOTAL ASSETS	\$ 218,472	\$ 1,072,283	\$ 1,262,320	\$ 28,435
LIABILITIES				
Due to others	\$ 218,472	\$ 1,072,283	\$ 1,262,320	\$ 28,435
TOTAL LIABILITIES	\$ 218,472	\$ 1,072,283	\$ 1,262,320	\$ 28,435
<u>TAX COLLECTION</u>				
ASSETS				
Cash and investments	\$ 106,362,580	\$ 222,393,899	\$ 219,717,089	\$ 109,039,390
Accounts receivable	84,322	274,597	294,519	64,400
Due from other funds	2,576	-	2,576	-
TOTAL ASSETS	\$ 106,449,478	\$ 222,668,496	\$ 220,014,184	\$ 109,103,790
LIABILITIES				
Accounts payable	\$ (142,741)	\$ 5,191,124	\$ 4,828,142	\$ 220,241
Due to other funds	1,577	-	1,577	-
Due to others	13,930	-	-	13,930
Due to other governments	106,576,712	224,682,999	222,390,092	108,869,619
TOTAL LIABILITIES	\$ 106,449,478	\$ 229,874,123	\$ 227,219,811	\$ 109,103,790

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS
Year ended December 31, 2012

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

	Balance		Balance	
	Jan 1, 2012	Additions	Deductions	Dec 31, 2012
TAX DISTRIBUTION				
ASSETS				
Cash and investments	\$ 9,323	\$ 162,888,123	\$ 162,880,630	\$ 16,816
TOTAL ASSETS	\$ 9,323	\$ 162,888,123	\$ 162,880,630	\$ 16,816
LIABILITIES				
Due to other governments	\$ 9,323	\$ 115,887,569	\$ 115,880,076	\$ 16,816
TOTAL LIABILITIES	\$ 9,323	\$ 115,887,569	\$ 115,880,076	\$ 16,816
U.S. SAVINGS BONDS				
ASSETS				
Cash and investments	\$ 3,392	\$ -	\$ -	\$ 3,392
TOTAL ASSETS	\$ 3,392	\$ -	\$ -	\$ 3,392
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other governments	3,392	-	-	3,392
TOTAL LIABILITIES	\$ 3,392	\$ -	\$ -	\$ 3,392
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 107,191,004	\$ 477,422,340	\$ 474,978,376	\$ 109,634,968
Accounts receivable	221,406	274,681	294,597	201,490
Due from other funds	2,576	24,085,952	24,088,528	-
TOTAL ASSETS	\$ 107,414,986	\$ 501,782,973	\$ 499,361,501	\$ 109,836,458
LIABILITIES				
Accounts payable	\$ 160,078	\$ 124,753,230	\$ 124,400,155	\$ 513,153
Due to other funds	1,577	-	1,577	-
Due to others	631,569	1,459,457	1,694,726	396,300
Due to other governments	106,621,762	347,658,961	345,353,718	108,927,005
TOTAL LIABILITIES	\$ 107,414,986	\$ 473,871,648	\$ 471,450,176	\$ 109,836,458

STATISTICAL SECTION

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended DECEMBER 31, 2012

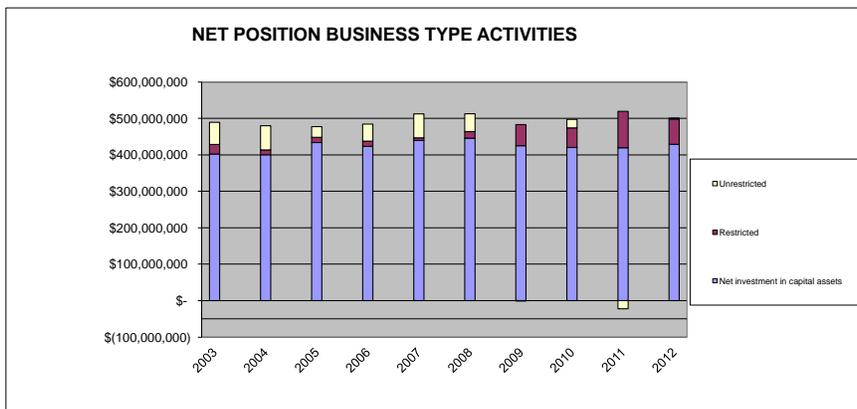
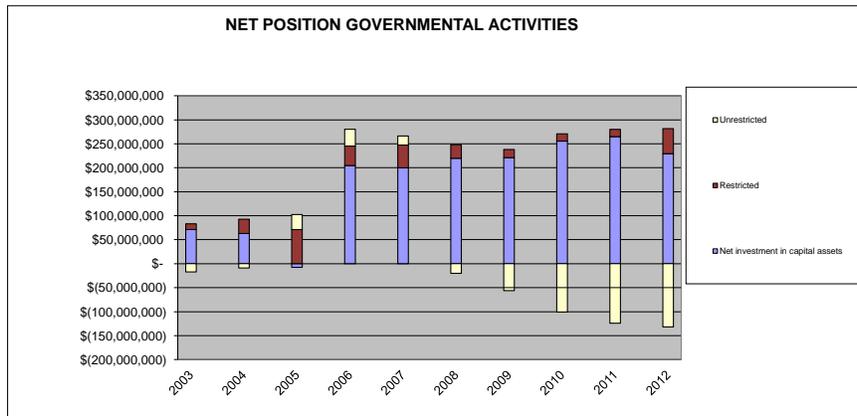
STATISTICAL SECTION

The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	132
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales tax.	138
Debt Capacity These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	143
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.	147
Operating Information These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.	149

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Net investment in capital assets	71,229,546.00	\$ 63,131,414	\$ (7,471,667)	\$ 204,659,363	\$ 199,833,368	\$ 219,828,396	\$ 221,299,106	\$ 255,635,959	\$ 265,081,754	\$ 229,277,747
Restricted	11,846,099	29,559,391	71,157,146	40,547,247	47,718,354	28,210,746	16,963,758	15,109,099	15,014,405	52,449,466
Unrestricted	(17,083,646)	(8,885,063)	31,439,950	35,059,547	18,680,207	(20,019,235)	(56,097,289)	(100,727,833)	(124,052,943)	(131,703,070)
Total governmental activities net position	\$ 65,991,999	\$ 83,805,742	\$ 95,125,429	\$ 280,266,157	\$ 266,231,929	\$ 228,019,907	\$ 182,165,575	\$ 170,017,225	\$ 156,043,216	\$ 150,024,143
Business-type activities										
Net investment in capital assets	\$ 402,211,646	\$ 400,164,808	\$ 433,716,852	\$ 423,138,783	\$ 439,466,356	\$ 445,669,977	\$ 425,007,799	\$ 420,099,070	\$ 419,256,036	\$ 428,738,821
Restricted	26,433,265	13,223,223	14,435,813	14,574,135	7,064,244	18,061,823	57,809,722	53,623,425	100,186,670	69,552,333
Unrestricted	60,782,000	66,386,855	29,353,438	46,561,495	65,859,500	48,863,977	(872,495)	23,503,122	(22,225,539)	2,992,459
Total business-type activities net position	\$ 489,426,911	\$ 479,774,886	\$ 477,506,103	\$ 484,274,413	\$ 512,390,100	\$ 512,595,777	\$ 481,945,026	\$ 497,225,617	\$ 497,217,167	\$ 501,283,613
Primary government										
Net investment in capital assets	\$ 473,441,192	\$ 463,296,222	\$ 426,245,185	627,798,146	639,299,724	665,498,373	646,306,905	675,735,029	684,337,790	658,016,568
Restricted	38,279,364	42,782,614	85,592,959	55,121,382	54,782,598	46,272,569	74,773,480	69,732,524	115,201,075	122,001,799
Unrestricted	43,698,354	57,601,792	60,793,388	81,621,042	84,539,707	28,844,742	(56,969,784)	(77,224,711)	(146,278,482)	(128,710,611)
Total primary government net position	\$ 555,418,910	\$ 563,580,628	\$ 572,631,532	\$ 764,540,570	\$ 778,622,029	\$ 740,615,684	\$ 664,110,601	\$ 667,242,842	\$ 653,260,383	\$ 651,307,756



**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	138,889,765	153,208,073	158,651,366	167,246,525	172,169,402	174,657,584	173,727,730	178,650,292	190,755,147	203,060,631
Intergovernmental	27,963,320	28,937,780	42,831,813	28,174,958	28,893,929	30,465,945	31,658,398	35,152,715	32,628,499	75,634,063
Charges for services	1,661,837	11,506,472	11,005,869	10,723,274	11,014,270	11,289,047	2,090,162	15,074,325	14,752,914	15,150,279
Fines and forfeits	10,659,646	6,236,411	6,242,775	6,026,860	6,347,172	6,879,659	11,887,889	7,464,884	6,665,618	6,689,618
Interest income	5,193,295	3,950,772	6,907,281	9,657,697	11,362,492	7,134,965	7,134,965	2,697,361	3,388,997	3,434,181
Licenses and permits	3,334,953	1,685,950	1,761,409	1,821,676	2,036,912	2,083,703	3,812,573	2,361,505	2,427,042	2,427,042
Other	8,406,748	4,158,398	6,015,194	14,843,123	14,023,456	9,047,136	9,969,005	7,344,254	7,244,254	5,463,389
Total revenues	196,109,564	209,683,056	233,415,807	238,493,113	245,847,633	242,061,278	240,280,722	251,790,826	257,789,175	311,859,203
Expenditures										
General government	18,068,644	22,079,127	21,554,976	25,676,780	27,050,974	32,300,863	23,630,694	23,557,173	22,531,506	25,438,838
Public works	26,090,847	29,857,257	26,138,407	33,178,154	33,439,156	35,233,444	33,521,679	34,264,954	35,175,946	36,957,012
Public Safety	78,782,692	86,900,910	88,396,259	94,323,734	103,932,912	106,616,700	106,722,422	104,581,273	107,328,253	110,745,870
Judicial	10,021,057	10,910,136	10,623,580	10,860,092	11,804,541	11,658,145	11,407,740	10,740,785	10,670,642	10,691,287
Health and welfare	12,250,313	13,080,806	13,227,157	13,869,503	14,447,927	14,014,561	14,164,694	14,104,662	14,045,683	13,717,453
Facilities management										
Planning and Development	12,622,564	12,140,882	13,834,255	14,029,108	12,810,765	16,141,032	16,866,828	18,467,426	15,244,481	18,684,768
Parks & Recreation	6,294,064	7,233,931	7,133,030	7,659,686	9,125,652	9,164,017	8,636,966	6,060,195	5,012,970	4,829,493
Nondepartmental	-	-	-	-	-	-	-	-	-	-
Claims and Judgments	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	15,568,476	17,876,885	18,234,648	20,186,633	26,440,847	35,282,367	31,504,403	36,634,039	28,347,221	100,377,297
Interest and fiscal charges	14,157,667	16,666,778	16,105,608	13,091,102	14,396,641	15,505,340	14,086,063	12,284,553	15,319,813	17,259,860
Other	4,350	225,598	178,274	438,551	478,436	705,128	812,748	980,369	604,078	1,411,665
Capital outlay	37,079,625	24,554,985	47,627,848	58,019,889	59,250,756	35,959,093	37,398,326	61,258,669	60,655,124	44,431,302
Total expenditures	230,940,299	240,957,295	265,044,042	291,433,232	313,168,617	312,576,692	298,742,663	322,934,098	314,935,717	384,544,835
Other financing sources (uses)										
Transfers from other funds	734,101	3,593,923	3,983,983	16,419,291	30,057,936	49,121,870	28,458,409	24,432,532	17,006,404	19,368,689
Transfers to other funds	(304,994)	(1,459,240)	(1,778,972)	(3,910,755)	(27,507,160)	(40,930,199)	(23,329,251)	(11,292,809)	(9,625,162)	(6,566,178)
Proceeds from issuance of bonds	9,287,089	25,966,059	18,226,608	49,361,062	-	39,405,239	21,545,726	140,635,339	16,004,650	23,372,439
Discount from issuance of bonds	-	-	-	-	-	(282,240)	-	(177,896)	1,245,112	(60,111)
Proceeds from refunding bonds	-	19,208,800	104,779,400	636,222	(7,235,000)	69,361	8,197	8,175,000	14,700,000	12,785,000
Proceeds from sale of assets	-	-	-	3,400,109	6,366,021	-	-	714,769	661,380	600,955
Proceeds from capital lease	8,813,338	4,031,208	12,683,340	8,631,144	11,312,269	730,983	929,600	2,311,526	4,188,169	-
Proceeds from loan	-	-	-	-	480,887	378,647	-	4,216,368	-	1,468,680
Premium from issuance of bonds	-	2,551,000	1,480,397	-	-	-	-	-	-	-
Payment to escrow for debt service	-	(235,121)	-	-	-	-	-	-	-	-
Payment to refunding bond escrow agent	(1,294,000)	(114,186,238)	(114,186,238)	-	16,935,000	(9,990,000)	-	(8,105,000)	(12,130,000)	-
Total other financing sources (uses)	18,529,534	52,452,629	25,208,516	74,537,073	30,279,983	38,879,911	27,330,441	160,939,849	32,050,353	51,558,202
Net change in fund balances	(16,301,201)	21,178,380	(6,419,717)	21,586,954	(37,041,001)	(31,641,503)	(31,151,500)	89,766,577	(25,095,989)	(21,127,430)
Debt service as a percentage of noncapital expenditures	15.10%	16.70%	15.20%	13.80%	16.00%	17.94%	16.78%	16.94%	15.57%	32.40%
Noncap expenditures are total expenditures less capital outlay (to the extent capitalized for gov-wide statement of net assets) and expenditures for capitalized assets included within the functional expenditure categories										
Total expenditures	230,940,299	240,957,295	265,044,042	291,433,232	313,168,617	312,576,692	298,742,663	322,934,098	314,935,717	384,544,835
Capital outlay EXPENDITURES ONLY before 2002	33,451,455	33,563,832	38,523,703	50,187,393	58,082,851	29,427,235	27,071,318	34,130,665	34,429,542	21,457,117
Cap. from recon GAAP to Mod Accr after 2001	29,726,143	34,543,663	34,340,256	33,277,735	40,827,488	50,787,707	46,590,466	48,918,592	43,667,034	117,637,157
debt service	197,488,844	207,393,463	226,520,339	241,245,839	255,085,766	283,151,457	271,671,345	288,803,433	280,506,175	363,087,718
Non-capital expenditures										
Debt SVG at % of non-capital expend.	15.10%	16.70%	15.20%	13.80%	16.00%	17.94%	16.78%	16.94%	15.57%	32.40%

Note: The significant variances noted in the net change in Fund Balances is due in large part to timing issues related to when Bond Proceeds are received on Capital Outlay costs.

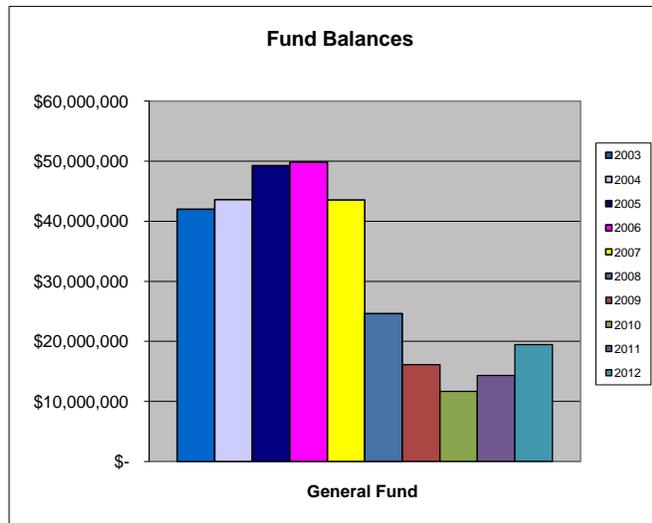
UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General government	\$ 20,450,817	\$ 24,150,922	\$ 25,959,678	\$ 27,673,242	\$30,290,793	\$38,152,695	\$28,883,020	\$27,087,733	\$25,079,952	\$26,520,320
Public safety	91,883,771	97,508,137	101,728,966	105,717,926	124,080,775	133,104,186	135,838,855	128,169,717	127,440,244	130,719,941
Public works	40,662,535	33,112,307	44,311,788	58,489,179	54,490,909	58,852,528	58,231,382	49,439,819	58,107,781	77,746,268
Health and welfare	12,655,563	12,795,008	13,373,754	13,769,503	14,798,255	14,715,932	14,496,775	14,729,903	14,320,574	14,062,319
Parks and recreation	6,664,348	6,813,175	7,002,155	7,361,313	9,343,632	9,801,025	9,409,508	6,476,736	5,495,405	5,263,063
Planning and development	12,210,291	12,418,389	14,304,521	14,283,076	12,907,802	17,431,756	23,102,672	41,321,126	32,662,526	26,627,128
Interest on long-term debt	13,790,519	13,516,281	12,963,447	14,125,057	15,987,447	16,041,480	15,629,555	17,491,196	17,257,843	21,701,853
Total governmental activities expenses	<u>198,317,844</u>	<u>200,314,219</u>	<u>219,644,309</u>	<u>241,419,296</u>	<u>261,899,613</u>	<u>288,099,602</u>	<u>285,591,767</u>	<u>284,716,230</u>	<u>280,364,325</u>	<u>302,640,892</u>
Business-type activities:										
Electric and water systems	199,977,106	209,076,832	232,559,743	250,258,575	230,920,697	238,766,982	236,173,513	221,565,124	245,026,662	256,465,888
Public levee	1,005,850	1,061,810	1,093,984	1,271,762	1,527,795	1,164,347	1,504,174	1,413,301	1,163,555	1,162,015
EMS	-	-	3,734,121	3,849,025	5,081,613	5,824,847	6,944,949	7,367,253	7,024,655	7,392,927
Stormwater	-	-	-	-	-	-	661,304	1,480,508	1,527,906	1,512,216
Sewer system	18,750,083	20,864,558	20,094,031	21,530,247	21,365,521	22,056,220	23,788,544	17,772,564	20,809,633	22,012,623
Sunflower Hills golf course	911,061	883,174	949,965	861,923	759,816	910,510	819,472	679,706	900,549	825,125
Total business-type activities expenses	<u>220,644,100</u>	<u>231,886,374</u>	<u>258,431,844</u>	<u>277,771,532</u>	<u>259,655,442</u>	<u>268,722,906</u>	<u>269,891,956</u>	<u>250,278,456</u>	<u>276,352,951</u>	<u>289,370,794</u>
Total primary government expenses	<u>\$ 418,961,944</u>	<u>\$ 432,200,593</u>	<u>\$ 478,076,153</u>	<u>\$ 519,190,828</u>	<u>\$ 521,555,055</u>	<u>\$ 556,822,508</u>	<u>\$ 555,483,723</u>	<u>\$ 534,994,686</u>	<u>\$ 556,717,276</u>	<u>\$ 592,011,686</u>
Program Revenues										
Charges for services:										
General government	\$ 3,079,145	\$ 3,746,853	\$ 2,859,284	\$ 2,738,188	\$ 2,931,976	\$ 2,582,381	\$ 3,549,937	\$ 4,623,345	\$ 3,088,044	\$ 3,579,602
Public safety	6,393,201	6,247,090	7,513,049	7,293,639	8,062,736	9,021,180	9,073,041	9,940,757	8,835,402	8,744,676
Public works	4,425,284	4,466,741	3,971,522	4,464,289	4,271,881	4,716,235	6,693,601	6,028,250	8,307,791	8,614,203
Health and welfare	898,229	510,671	942,128	945,870	987,319	1,539,141	789,085	162,850	805,818	706,109
Parks and recreation	505,744	508,492	538,004	540,683	584,603	556,240	585,003	1,166,756	635,219	547,780
Planning and development	2,429,005	2,926,358	3,690,690	3,113,349	3,128,384	2,615,712	2,259,151	3,201,347	3,838,439	4,480,536
Operating grants and contributions:										
General government	101,650	55,217	404,467	461,422	559,762	588,008	857,042	886,779	954,831	1,449,387
Public safety	5,879,312	4,837,755	5,810,602	6,214,383	5,724,447	6,248,268	4,686,658	6,135,125	6,856,885	6,701,464
Public works	7,752,699	8,444,469	8,809,026	7,430,081	9,664,249	9,000,428	7,863,473	7,686,076	7,388,947	8,766,393
Health and welfare	7,492,093	7,868,850	8,192,238	8,409,496	8,276,022	7,896,489	7,921,420	8,087,027	7,808,448	7,260,100
Parks and recreation	253,403	459,032	347,330	422,436	830,506	580,812	3,050,717	2,700,000	0	10,000
Planning and development	5,808,274	7,090,819	5,992,414	5,725,466	4,893,831	7,677,848	8,537,247	12,826,305	9,216,477	8,881,541
Interest on long-term debt	-	-	-	-	-	-	-	340,372	720,537	1,141,970
Capital grants and contributions:										
General government	-	-	-	-	-	-	-	-	-	-
Public works	108,829	2,012,330	14,404,547	789,990	249,372	2,284,824	2,742,209	1,446,928	-	273,032
Public Safety	877,367	-	-	-	-	-	-	-	-	-
Planning and development	665,708	589,030	212,243	972,508	187,037	139,622	217,585	649,659	426,781	1,009,306
Total governmental activities program revenues	<u>46,669,943</u>	<u>51,763,697</u>	<u>63,487,544</u>	<u>49,522,000</u>	<u>50,352,124</u>	<u>55,447,188</u>	<u>58,825,169</u>	<u>67,791,576</u>	<u>58,883,319</u>	<u>62,226,699</u>
Business-type activities:										
Charges for services:										
Electric and Water systems	201,535,316	207,407,693	221,945,484	258,910,231	228,782,367	240,093,868	210,068,949	237,159,626	243,459,904	261,315,976
EMS	-	-	3,207,214	3,365,556	3,269,900	4,216,457	4,251,550	4,414,666	4,383,301	4,589,845
Public Levee	957,759	985,475	984,779	986,970	991,053	1,083,636	1,077,112	850,896	654,894	820,070
Stormwater	-	-	-	-	-	-	-	1,004,109	2,213,075	2,921,111
Sewer System	17,033,222	17,017,442	15,628,899	17,279,920	17,515,426	18,067,391	18,140,230	18,855,939	21,001,659	23,633,571
Sunflower Hill Golf Course	632,293	720,372	740,497	826,618	747,656	729,321	715,492	669,895	636,032	707,015
Operating grants and contributions:										
Electric and Water systems	-	275,314	1,281,668	1,403,996	880,873	1,466,171	209,965	300,888	59,048	130,878
Sewer System	1,166,323	-	-	-	-	-	-	586,162	271,701	192,083
Total business-type activities program revenues	<u>221,324,913</u>	<u>226,406,296</u>	<u>243,788,541</u>	<u>282,775,291</u>	<u>252,187,275</u>	<u>265,656,844</u>	<u>235,467,407</u>	<u>266,031,147</u>	<u>273,587,650</u>	<u>294,818,985</u>
Total primary government program revenues	<u>\$ 267,994,856</u>	<u>\$ 278,169,993</u>	<u>\$ 307,276,085</u>	<u>\$ 332,297,291</u>	<u>\$ 302,539,399</u>	<u>\$ 321,104,032</u>	<u>\$ 294,292,576</u>	<u>\$ 333,822,723</u>	<u>\$ 332,470,969</u>	<u>\$ 357,045,694</u>
Net (Expense)/Revenue										
Governmental activities	\$ (151,647,901)	\$ (148,550,522)	\$ (156,156,765)	\$ (191,897,296)	\$ (211,547,489)	\$ (232,652,414)	\$ (226,766,598)	\$ (216,924,654)	\$ (221,481,006)	\$ (240,414,193)
Business-type activities	680,813	(5,480,078)	(14,643,303)	5,003,759	(7,468,167)	(3,066,062)	(34,424,549)	15,752,691	(2,765,301)	5,448,191
Total primary government net expense	<u>\$ (150,967,088)</u>	<u>\$ (154,030,600)</u>	<u>\$ (170,800,068)</u>	<u>\$ (186,893,537)</u>	<u>\$ (219,015,656)</u>	<u>\$ (235,718,476)</u>	<u>\$ (261,191,147)</u>	<u>\$ (201,171,963)</u>	<u>\$ (224,246,307)</u>	<u>\$ (234,966,002)</u>

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 81,729,448	\$ 87,936,864	\$ 88,561,866	\$ 90,034,909	\$ 93,692,006	\$ 96,321,532	\$ 95,137,607	\$ 86,298,207	\$ 89,841,305	\$ 95,535,842
Sales taxes	30,722,833	38,042,197	40,051,945	44,218,277	47,694,289	47,236,982	44,174,371	52,252,785	59,428,395	63,279,907
Franchise taxes	20,548,610	21,209,636	23,285,298	25,115,152	24,087,737	24,825,134	28,568,370	35,854,199	36,998,925	35,690,760
Other taxes	4,076,205	4,217,900	5,211,118	5,032,940	4,556,518	3,927,701	3,744,134	3,114,724	1,855,050	4,578,991
Transient guest tax	380,505	362,635	383,537	524,858	587,861	629,348	628,507	678,869	760,917	863,194
Unrestricted investment earnings	3,379,196	4,138,761	7,271,873	10,271,852	12,295,118	8,394,705	4,384,308	3,580,620	3,498,400	3,720,098
Miscellaneous	8,460,509	4,084,343	6,026,557	18,243,232	20,369,476	9,488,051	7,234,993	6,678,702	5,119,817	5,518,890
Special Item	-	-	-	-	-	-	-	10,959,260	5,683,302	-
Transfers	(6,408,453)	(2,428,990)	(3,145,034)	6,930,392	(2,991,205)	3,616,939	1,550,805	17,504,964	3,131,301	6,753,348
Total governmental activities	<u>142,888,853</u>	<u>157,563,346</u>	<u>167,647,160</u>	<u>200,371,512</u>	<u>200,291,800</u>	<u>194,440,392</u>	<u>185,423,095</u>	<u>216,922,330</u>	<u>205,417,413</u>	<u>215,941,030</u>
Business-type activities:										
Sales taxes	-	-	4,498,357	4,016,471	3,999,892	3,927,919	3,578,923	3,738,538	4,120,807	4,218,676
Other taxes	122,772	64,387	24,592	56,333	9,442	7,484	6,073	-	-	-
Unrestricted investment earnings	1,078,832	1,182,696	4,526,300	4,426,872	3,127,564	1,459,007	619,140	467,604	1,003,486	303,875
Miscellaneous	160,270	36,980	321,326	195,267	530,266	21,882	1,120,467	680,696	763,859	849,052
Transfers	6,408,453	2,428,990	3,145,034	(6,930,392)	2,991,205	(3,616,939)	(1,550,805)	(17,504,964)	(3,131,301)	(6,753,348)
Total business-type activities	<u>7,770,327</u>	<u>3,713,053</u>	<u>12,515,609</u>	<u>1,764,551</u>	<u>10,658,369</u>	<u>1,799,353</u>	<u>3,773,798</u>	<u>(12,618,126)</u>	<u>2,756,851</u>	<u>(1,381,745)</u>
Total primary government	<u>\$ 150,659,180</u>	<u>\$ 161,276,399</u>	<u>\$ 180,162,769</u>	<u>\$ 202,136,063</u>	<u>\$ 210,950,169</u>	<u>\$ 196,239,745</u>	<u>\$ 189,196,893</u>	<u>\$ 204,304,204</u>	<u>\$ 208,174,264</u>	<u>\$ 214,559,285</u>
Change in Net Position										
Governmental activities										
Changes in Net Position	\$ (8,759,048)	\$ 9,012,824	\$ 11,490,395	\$ 8,474,216	\$ (11,255,689)	\$ (38,212,022)	\$ (41,343,503)	\$ (2,324)	\$ (16,063,593)	\$ (24,473,163)
Net Position-Beginning of year	34,784,709	65,991,999	83,805,742	95,125,429	280,266,156	266,231,929	228,019,907	182,165,575	170,017,225	156,043,216
Prior period adjustment	39,966,338	8,800,919	(170,708)	176,666,512	(2,778,536)	-	(4,510,829)	-	2,089,584	18,454,090
Total governmental activities	<u>\$ 65,991,999</u>	<u>\$ 83,805,742</u>	<u>\$ 95,125,429</u>	<u>\$ 280,266,157</u>	<u>\$ 266,231,929</u>	<u>\$ 228,019,907</u>	<u>\$ 182,165,575</u>	<u>\$ 182,163,251</u>	<u>\$ 156,043,216</u>	<u>\$ 150,024,143</u>
Business-type activities										
Changes in Net Position	8,451,140	(1,767,025)	(2,127,694)	6,768,310	3,190,202	(1,266,709)	(30,650,751)	3,134,565	(8,450)	4,066,446
Net Position-Beginning of year	480,975,771	489,426,911	479,774,886	477,506,103	484,274,413	512,390,100	512,595,777	481,945,026	497,225,617	497,217,167
Prior period adjustment	-	(7,885,000)	(411,089)	-	24,925,485	1,472,386	-	-	-	-
Total business-type activities	<u>489,426,911</u>	<u>479,774,886</u>	<u>477,506,103</u>	<u>484,274,413</u>	<u>512,390,100</u>	<u>512,595,777</u>	<u>481,945,026</u>	<u>485,079,591</u>	<u>497,217,167</u>	<u>501,283,613</u>
Total primary government	<u>\$ 555,418,910</u>	<u>\$ 563,580,628</u>	<u>\$ 572,631,532</u>	<u>\$ 764,540,570</u>	<u>\$ 778,622,029</u>	<u>\$ 740,615,684</u>	<u>\$ 664,110,601</u>	<u>\$ 667,242,842</u>	<u>\$ 653,260,383</u>	<u>\$ 651,307,756</u>

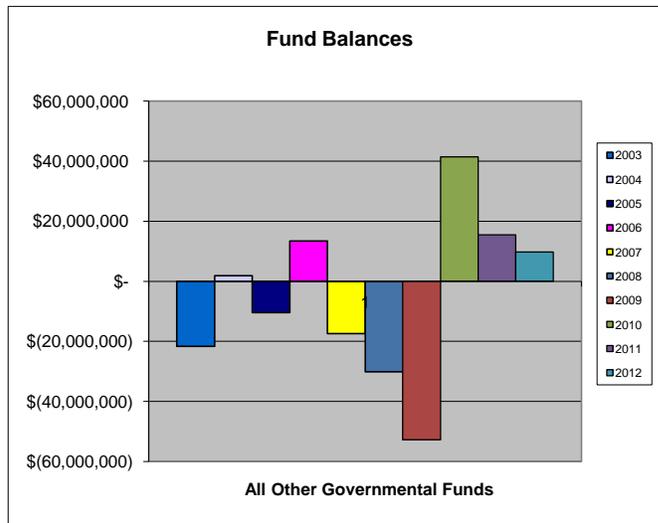
UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund					
Reserved	\$ 3,359,019	\$ 3,255,606	\$ 4,658,857	\$ 3,731,365	\$ 2,534,531
Unreserved	38,631,062	40,336,774	44,589,586	46,090,297	41,021,879
Designated for restricted sales tax	7,964	7,964	7,964	7,964	7,964
Restricted					
Committed					
Assigned					
Unassigned					
Total general fund	<u>\$ 41,998,045</u>	<u>\$ 43,600,344</u>	<u>\$ 49,256,407</u>	<u>\$ 49,829,626</u>	<u>\$ 43,564,374</u>
All Other Governmental Funds					
Reserved	15,513,792	12,456,963	12,260,930	17,694,680	15,579,130
Unreserved	0		0	0	0
Designated					
Designated crossover refunded bond	0	18,852,451	0	0	10,025,335
Undesignated					
Special revenue funds	13,212,564	12,706,840	15,723,679	15,503,824	15,871,924
Debt service Fund	5,143,497	3,311,598	2,611,751	6,366,505	11,057,310
Capital projects funds	(55,582,315)	(45,513,304)	(41,028,300)	(26,201,227)	(69,945,666)
Restricted					
Committed					
Unassigned					
Total all other governmental funds	<u>\$ (21,712,462)</u>	<u>\$ 1,814,548</u>	<u>\$ (10,431,940)</u>	<u>\$ 13,363,782</u>	<u>\$ (17,411,967)</u>



Note:
In 2011, the Unified Government implemented Governmental Accounting Standards Board Statement 54, which resulted in the new fund balance classifications.

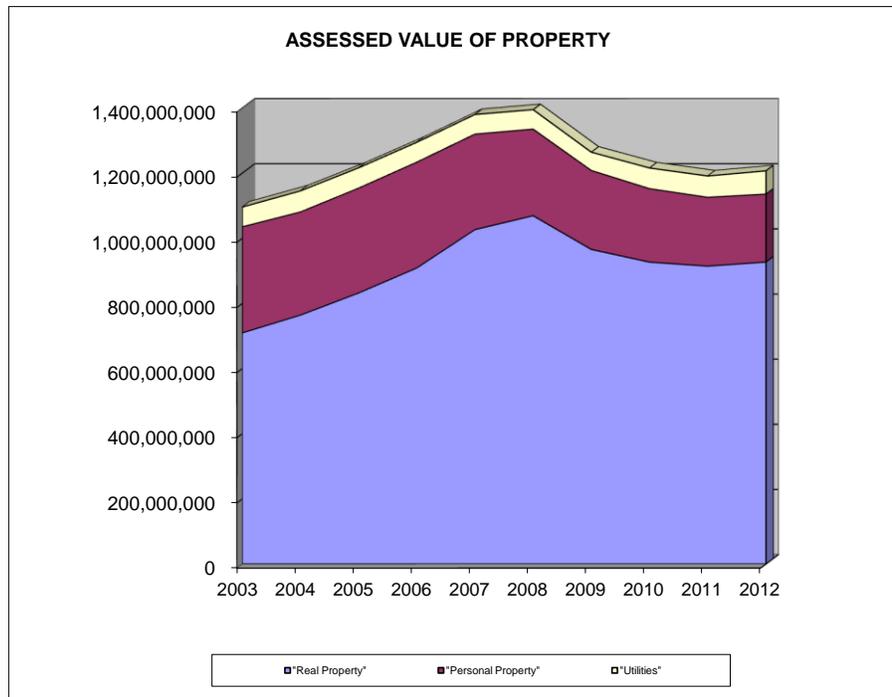
<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 2,209,108	\$ 1,260,078	\$ 1,741,912	\$0	\$0
22,399,364	14,860,536	9,899,484	0	0
7,964	7,964	7,964	0	0
			0	751,740
			253,692	560,204
			1,438,927	1,629,346
			12,618,862	16,527,952
<u>\$ 24,616,436</u>	<u>\$ 16,128,578</u>	<u>\$ 11,649,360</u>	<u>\$ 14,311,481</u>	<u>\$ 19,469,242</u>
22,973,920	14,740,008	17,284,705	0	0
0	0	0	0	0
0	0	0	0	0
9,519,621	3,453,909	3,112,038	0	0
15,286,601	10,113,695	15,830,660	0	0
(77,885,673)	(81,056,786)	5,269,218	0	0
			25,522,172	24,322,105
			586,540	832,686
			(10,615,036)	(15,375,811)
<u>\$ (30,105,531)</u>	<u>\$ (52,749,174)</u>	<u>\$ 41,496,621</u>	<u>\$ 15,493,676</u>	<u>\$ 9,778,980</u>



**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
 ASSESSED AND ESTIMATED ACTUAL VALUES OF TAXABLE TANGIBLE PROPERTY
 Including Motor Vehicles, Last Ten Fiscal Years**

UNIFIED GOVERNMENT PRIMARY GOVERNMENT

	Real Property (1)	Personal Property (2)	Utilities (2)	Total
Fiscal Year	Assessed Value	Assessed Value	Assessed Value	Assessed Value
2003	709,640,218	325,724,475	60,402,920	1,095,767,613
2004	764,230,086	316,770,970	64,463,803	1,145,464,859
2005	832,146,776	322,022,598	62,065,428	1,216,234,802
2006	908,899,542	324,970,743	60,672,383	1,294,542,668
2007	1,026,694,090	293,356,034	60,003,173	1,380,053,297
2008	1,069,442,741	265,953,815	59,613,262	1,395,009,818
2009	966,053,674	242,392,251	55,937,343	1,264,383,268
2010	927,030,390	225,604,185	63,329,809	1,215,964,384
2011	914,682,119	211,367,889	65,236,304	1,191,286,312
2012	927,243,259	208,645,496	71,302,534	1,207,191,289



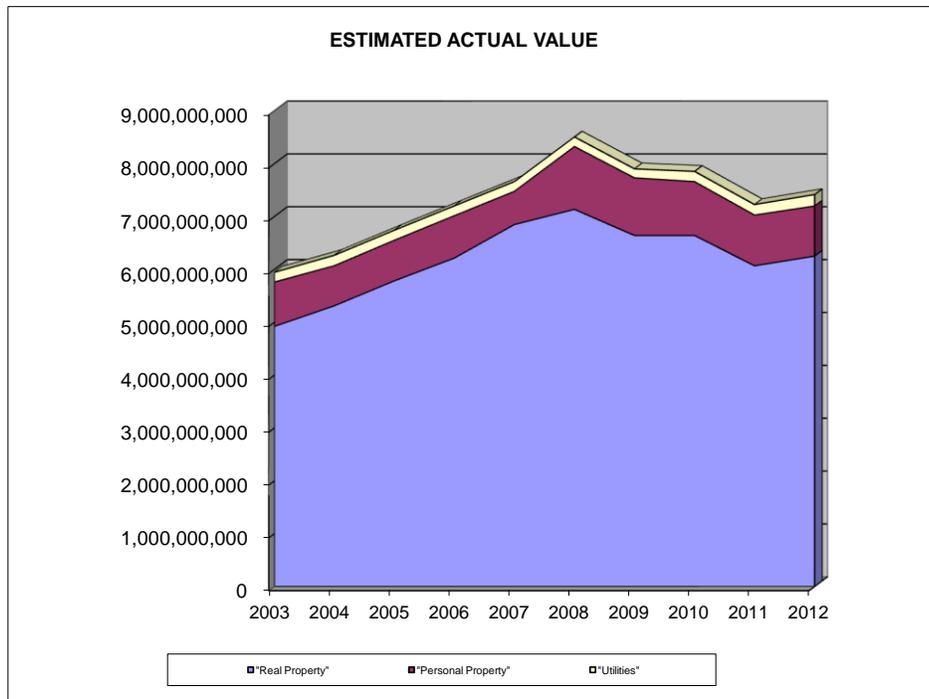
¹ Real Property Estimated Actual Value is the value assigned by the County Appraiser on taxable property.

² Personal Property Estimated Actual Value and Utilities Estimated Actual Value was calculated using a formula based on assessed rate

³ The total direct tax rate for citizens in the Unified Government includes both Wyandotte County and Kansas City, Kansas.

Source: Unified Government Clerk

Fiscal Year	Real Property (1)	Personal Property (2)	Utilities (2)	Assessed/ Actual Ratio	Total Direct Tax Rate (3)
	Estimated Actual Value	Estimated Actual Value	Estimated Actual Value		
2003	4,921,733,506	838,907,600	183,039,150	18.44%	79.142
2004	5,311,900,328	758,214,491	195,344,662	18.28%	76.616
2005	5,783,420,083	768,418,871	188,058,247	18.05%	74.021
2006	6,214,268,915	802,291,592	183,855,706	17.98%	71.987
2007	6,848,879,075	628,612,840	181,827,797	18.02%	71.224
2008	7,135,799,722	1,188,771,374	180,646,248	16.40%	70.735
2009	6,641,739,576	1,090,054,600	169,507,100	16.00%	71.697
2010	6,641,739,576	1,019,460,051	191,908,512	15.48%	74.952
2011	6,068,832,960	959,079,479	197,685,770	16.49%	81.666
2012	6,250,481,620	948,429,918	216,068,285	16.28%	81.865



**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Years**

(rate per \$1,000 of assessed value)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
County Direct Rates										
General	\$ 17.847	\$ 21.428	\$ 20.335	\$ 19,750	\$ 22,208	\$ 23,102	\$ 24,557	\$ 27,911	\$ 30,072	\$ 30,115
Election	0.904	0.903	0.846	0.842	0.846	0.847	0.858	0.858	0.859	0.860
County Park	2.156	2.154	2.144	2.135	2.145	2.148	2.126	1.467	1.369	1.371
Historical Society	0.189	0.170	0.169	0.168	0.169	0.000	0.000	0.000	0.000	0.000
Appraiser's Cost	2.214	2.212	2.066	2.057	2.066	0.000	0.000	0.000	0.000	0.000
Reappraisal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Noxious Weed	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Wy. County Extension Council	0.307	0.307	0.306	0.299	0.000	0.000	0.000	0.000	0.000	0.000
Soil Conservation	0.046	0.046	0.044	0.043	0.043	0.000	0.000	0.000	0.000	0.000
County Fair Building	0.154	0.154	0.147	0.144	0.145	0.000	0.000	0.000	0.000	0.000
Service Program - Aging	0.946	0.945	0.941	0.896	0.900	0.901	0.811	0.909	1.011	1.012
Arts Program/Projects	0.038	0.038	0.036	0.035	0.035	0.000	0.000	0.000	0.000	0.000
Economic Development	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Health Department	1.498	1.516	1.509	1.503	1.510	1.512	1.532	1.532	1.535	1.537
Mental Health	0.492	0.492	0.490	0.458	0.460	0.461	0.416	0.333	0.418	0.419
Developmental Disabilities	0.523	0.523	0.478	0.476	0.478	0.479	0.485	0.315	0.315	0.340
Juvenile Detention	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Community College Tuition	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Employee's Benefit	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Bond and Interest	5.379	1.776	0.000	0.000	1.027	1.027	1.014	0.819	0.820	0.796
County Infrastructure	0.000	0.000	1.768	1.593	1.600	0.000	0.000	0.000	0.000	0.000
Total County direct rate	32.693	32.664	31.279	30.399	30.539	30.477	30.889	34.144	36.399	36.450
City Rates										
Kansas City	46.449	43.952	42.742	41.588	40.685	40.258	40.808	40.808	45.267	45.415
Bonner Springs	35.752	33.625	32.568	31.127	30.456	29.065	29.086	30.101	30.578	30.605
Edwardsville	40.885	39.643	34.833	34.211	40.427	40.427	42.441	44.505	44.505	44.467
Lake Quivira	13.387	13.126	13.688	13.700	13.553	13.315	13.226	13.633	19.317	19.317
Community College	19.192	20.423	20.331	20.244	19.524	19.296	19.991	23.456	23.456	23.58
School Districts	41.505 - 65.344	48.872 - 65.843	52.700 - 65.372	45.509 - 65.037	48.876 - 65.627	51,257 - 67.818	61,416 - 71.475	61,414 - 68.078	57,988-68.459	60,327-68.378
Cemetery Districts	0.639	0.587	0.516	0.248	0.261	0.261	0.000	0.000	0.000	0.000
Drainage Districts	3.908 - 13.277	3.867 - 12.613	4.016 - 10.634	4.101 - 10.066	4.101 - 11.269	4.101 - 11.285	4.798 - 11.471	4.121 - 13.428	4.058-13.210	3.946-13.777
Library	3.380	3.380	3.380	3.380	4.130	4.130	4.130	5.030	5.030	5.030
Other Districts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Source: Unified Government Clerk

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
PRINCIPAL PROPERTY TAX PAYERS
Current Year and Nine Years Ago

	<u>Fiscal Year 2012</u>			<u>Fiscal Year 2003</u>		
	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Taxable Assessed Value</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Taxable Assessed Value</u>
General Motors	\$44,074,336	1	4.03%	\$83,596,639	1	8.53%
Kansas Entertainment LLC	\$43,200,001	2	3.95%			
Legends Shopping Center	\$26,630,798	3	2.44%			
Nebraska Furniture Mart	\$14,292,347	4	1.31%	\$6,983,491	6	0.71%
Union Pacific Railroad	\$12,971,059	5	1.19%			
Magellen Pipeline	\$12,985,847	6	1.19%			
Burlington Northern Santa Fe	\$11,839,250	7	1.08%			
Prime Investments LLC	\$11,041,602	8	1.01%			
Certain-Teed Corp.	\$8,244,181	9	0.75%	\$8,646,003	4	0.88%
Southwestern Bell Telephone	\$8,446,584	10	0.77%			
Owens Corning				\$12,183,491	2	1.24%
Proctor and Gamble				\$9,912,749	3	1.01%
Fortess GSA/EPA Lab				\$7,060,047	5	0.72%
Colgate Palmolive				\$6,956,411	7	0.71%
Assoc. Wholesale Grocers				\$6,582,595	8	0.67%
Cabela's				\$6,107,269	9	0.62%
Sunshine Biscuits				\$5,678,628	10	0.58%
	<u>\$193,726,005</u>		<u>17.72%</u>	<u>\$153,707,323</u>		<u>15.67%</u>

Total 2012 Wyco Assessed Value \$1,093,343,355

*Does not include exempt properties including businesses with exemptions granted which require payments in lieu of taxes or properties which are part of a TIF project.

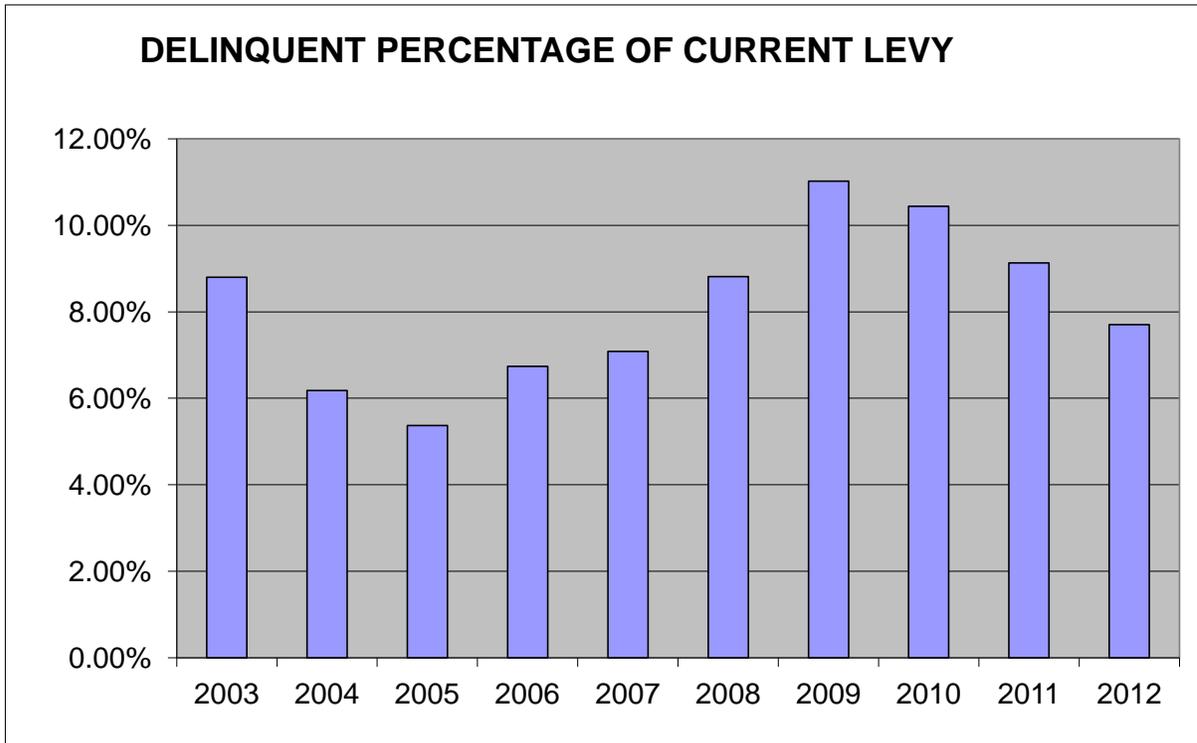
Source: Unified Government Appraisers Office

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
GENERAL PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

UNIFIED GOVERNMENT PRIMARY GOVERNMENT

Budget Year ¹	Taxes Levied for the Fiscal Year (Original Levy)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Year ²	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2003	72,114,983	65,772,067	91.20%	3,094,839	68,866,906	95.50%
2004	74,418,396	69,818,912	93.82%	4,050,439	73,869,351	99.26%
2005	75,569,970	71,510,400	94.63%	3,064,413	74,574,813	98.68%
2006	77,667,951	72,433,411	93.26%	3,448,998	75,882,409	97.70%
2007	80,690,926	74,975,134	92.92%	3,650,410	78,625,544	97.44%
2008	86,210,883	78,613,006	91.19%	2,997,523	81,610,529	94.66%
2009	86,553,044	77,018,671	88.98%	3,745,924	80,764,595	93.31%
2010	78,780,950	70,555,802	89.56%	3,323,323	73,879,125	93.78%
2011	79,410,908	72,160,092	90.87%	4,004,222	76,164,314	95.91%
2012	85,042,936	78,494,361	92.30%	4,263,845	82,758,206	97.31%

Budget Year	Amount Levied	Amount Collected	Amount Delinquent	Percent Delinquent
2003	72,114,983	65,772,067	6,342,916	8.80%
2004	74,418,396	69,818,912	4,599,484	6.18%
2005	75,569,970	71,510,400	4,059,570	5.37%
2006	77,667,951	72,433,411	5,234,540	6.74%
2007	80,690,926	74,975,134	5,715,792	7.08%
2008	86,210,883	78,613,006	7,597,877	8.81%
2009	86,553,044	77,018,671	9,534,373	11.02%
2010	78,780,950	70,555,802	8,225,148	10.44%
2011	79,410,908	72,160,092	7,250,816	9.13%
2012	85,042,936	78,494,361	6,548,575	7.70%



¹ Taxes levied support the subsequent year's budget, e.g., 2007 taxes financed 2008 spending.

² County Treasurer's records do not provide a determination of delinquent tax collections by levy year; therefore, delinquent tax collections may include collections of prior year delinquencies and current year delinquencies

Source: Unified Government Treasurer

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Governmental Activities										
Fiscal Year	General		Special		Capital Leases	Certificates of Participation	Section 108		STAR Bonds	TDD Bonds
	Obligation Bonds	Obligation Bonds	Assessments	Special Assessments			Loan	Loan		
2003	121,136,595	-	-	506,005	13,040,877	375,000	4,873,000	54,602,785	-	
2004	137,870,000	-	-	-	14,750,379	290,000	4,693,000	62,206,066	-	
2005	103,340,000	-	-	-	23,269,448	200,000	4,500,000	90,510,116	-	
2006	123,158,372	-	-	-	27,187,694	105,000	4,294,000	84,941,306	19,935,000	
2007	123,042,248	-	-	-	35,179,385	-	4,073,000	75,131,738	19,415,000	
2008	132,294,703	-	-	-	19,805,238	8,200,000	3,837,000	64,314,106	20,795,000	
2009	138,680,552	-	-	-	14,920,099	8,100,000	3,584,000	54,352,319	20,580,000	
2010	223,100,366	-	-	-	14,859,322	-	3,314,000	85,317,108	20,009,000	
2011	222,715,718	7,725,000	-	-	10,421,691	-	3,025,000	72,091,680	19,353,000	
2012	219,468,230	22,025,000	-	-	7,808,657	-	2,715,000	77,734,667	18,462,000	

Business Type Activities									
Fiscal Year	General		Sewer		BPU		BPU Capital Leases	Total	
	Obligation Bonds	Capital Leases	Revolving Loan	Revolving Loan	Revenue Bonds	Revolving Loan		Primary Government	Percentage of Personal Income ¹
2003	2,433,011	302,811	12,278,196	243,417,749	5,216,938	-	458,182,967	12.8%	\$ 2,938
2004	7,885,000	186,812	13,742,461	356,268,483	10,227,180	11,297,568	619,416,949	17.1%	\$ 4,012
2005	7,510,000	1,342,758	13,617,355	344,780,565	7,965,358	17,076,082	614,111,682	16.4%	\$ 3,996
2006	16,811,628	1,080,600	15,737,397	333,954,975	3,342,010	20,471,208	651,019,190	16.4%	\$ 4,258
2007	16,147,752	943,125	14,820,947	323,001,990	1,738,066	23,690,167	637,183,418	15.1%	\$ 4,152
2008	20,915,297	773,492	13,816,268	313,043,225	1,018,921	22,707,905	621,521,155	14.1%	\$ 4,030
2009	22,384,448	1,077,448	13,653,555	363,881,515	650,042	21,710,900	663,574,878	15.4%	\$ 4,267
2010	39,734,634	1,792,146	12,570,320	355,430,000	367,952	20,717,121	777,211,969	17.6%	\$ 4,935
2011	40,859,282	1,863,319	11,273,779	421,100,000	74,989	19,813,666	830,317,124	18.2%	\$ 5,256
2012	46,766,770	2,175,132	10,018,884	479,735,000	-	18,788,619	905,697,959	19.3%	\$ 5,692

Details regarding the Unified Government's outstanding debt can be found in the notes to the financial statements.

¹ Population and personal income data can be found in the Demographic Schedule. These ratios are calculated using personal income and populations for the prior calendar year.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year	General Bond Debt Outstanding			Total	Percentage of Personal Income ²	Percentage of Actual Value of Taxable Property ³	Per Capita ²
	General Obligation Debt ¹	Less: Amounts Restricted to Repaying Principal					
2003	123,569,606	(5,143,497)		118,426,109	3.32%	1.99%	755
2004	145,755,000	(22,164,049)		123,590,951	3.48%	1.97%	793
2005	110,850,000	(2,611,751)		108,238,249	2.94%	1.61%	695
2006	139,970,000	(6,366,505)		133,603,495	3.51%	1.86%	859
2007	139,190,000	(15,744,129)		123,445,871	3.14%	1.61%	795
2008	153,210,000	(5,927,079)		147,282,921	3.34%	1.73%	955
2009	161,065,000	(3,846,913)		157,218,087	3.52%	1.99%	1,011
2010	262,835,000	(3,432,786)		259,402,214	5.61%	3.30%	1,647
2011	263,575,000	(3,294,379)		260,280,621	5.94%	3.60%	1,645
2012	266,235,000	(2,523,496)		263,711,504	5.61%	3.56%	1,657

¹ Includes General Obligation Bonds

² Population and personal income data can be found in the Demographic Schedule

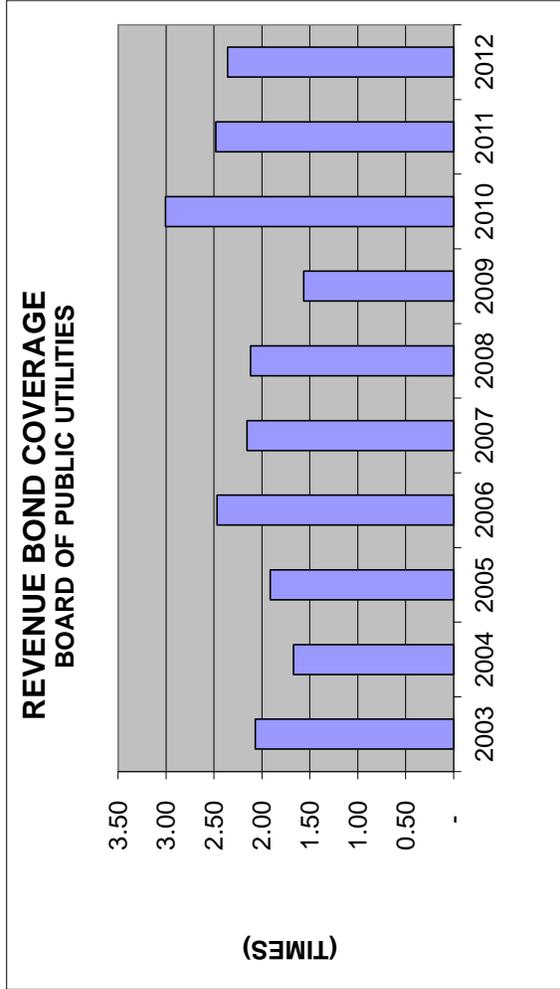
³ Property value data can be found in Schedule Actual Values Schedule

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
LEGAL DEBT MARGIN INFORMATION
 Last Ten Fiscal Years

	2003 (As of 9/30/03)	2004 (As of 12/31/04)	2005 (As of 3/15/06)	2006 (As of 3/01/07)	2007 (As of 12/31/07)	2008 (As of 12/31/08)	2009 (As of 12/31/09)	2010 (As of 12/31/10)	2011 (As of 12/31/11)	2012 (As of 12/31/12)
Statutory debt capacity:										
Equalized assessed valuation of taxable tangible property	\$ 979,770,034	\$ 1,026,233,344	\$ 1,094,321,285	\$ 1,170,144,823	\$ 1,194,327,556	1,270,053,704	1,143,897,672	1,098,921,073	1,077,678,389	1,093,343,355
Estimated tangible valuation of motor vehicles	115,997,579	66,768,205	121,913,517	124,397,845	125,722,568	124,966,114	120,485,596	117,043,311	113,607,923	113,607,923
Estimated tangible valuation for computation of bonded indebtedness limitations	<u>1,095,767,613</u>	<u>1,093,001,549</u>	<u>1,216,234,802</u>	<u>1,294,542,668</u>	<u>1,320,050,124</u>	<u>1,395,019,818</u>	<u>1,264,383,268</u>	<u>1,215,964,384</u>	<u>1,191,286,312</u>	<u>1,206,951,278</u>
Debt limit (30% of total valuation)	328,730,284	327,900,465	364,870,441	388,362,800	396,015,037	418,505,945	379,314,980	364,789,315	357,385,894	362,085,383
Amount of debt applicable to limit										
Total bonded indebtedness	196,470,560	190,738,147	219,100,218	221,435,000	243,785,000	273,547,299	275,107,299	313,695,000	314,865,000	320,893,000
Less exempt issues	<u>(66,774,539)</u>	<u>(87,366,316)</u>	<u>(100,267,289)</u>	<u>(112,181,830)</u>	<u>(117,117,367)</u>	<u>(87,092,962)</u>	<u>(81,102,801)</u>	<u>(120,678,806)</u>	<u>(140,062,853)</u>	<u>(96,615,096)</u>
Total net debt applicable to limit	109,696,021	103,371,831	118,832,929	109,253,170	126,667,633	186,454,337	194,004,498	193,016,194	174,802,147	224,277,904
Legal debt margin	<u>219,034,263</u>	<u>224,528,634</u>	<u>246,037,512</u>	<u>279,109,630</u>	<u>269,347,404</u>	<u>232,051,608</u>	<u>185,310,482</u>	<u>171,773,121</u>	<u>182,583,747</u>	<u>137,807,479</u>
Total net debt applicable to the limit as a percentage of debt limit	33.37%	31.53%	32.57%	28.13%	31.99%	44.55%	51.15%	52.91%	48.91%	61.94%

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years**

Fiscal Year	BPU Revenue Bonds				STAR Bonds ¹				TDD Bonds ²			
	Gross Revenues ³	Operating Expenses ³	Net Available Revenue	Total Debt Service Requirements	Sales Tax Revenues	Principal	Interest	Coverage	Sales Tax Revenues	Principal	Interest	Coverage
2003	202,392,507	145,425,899	56,966,608	27,512,785	2,967,510	701,346	1,976,216	1.11	0	0	0	n/a
2004	208,395,400	154,234,242	54,161,158	32,410,066	6,764,383	2,511,578	5,172,211	0.88	0	0	0	n/a
2005	226,137,858	163,244,269	62,893,589	32,890,229	7,512,182	370,720	5,687,718	1.24	0	0	0	n/a
2006	262,805,352	181,735,686	81,069,666	32,857,208	9,956,814	5,568,810	4,135,336	1.03	257,398	0	95,929	2.68
2007	248,628,392	180,408,174	68,220,218	31,666,838	12,769,316	9,809,568	3,839,332	0.94	1,277,777	520,000	933,241	0.88
2008	258,694,309	191,646,083	67,048,226	31,666,839	12,785,814	10,817,632	3,485,647	0.89	1,221,851	620,000	963,369	0.77
2009	231,955,328	185,129,869	46,825,459	29,908,142	12,010,638	9,961,787	3,190,804	0.91	1,384,668	615,000	1,019,714	0.85
2010	265,907,854	171,635,395	94,272,459	31,363,760	13,529,636	11,116,268	2,723,395	0.98	1,653,312	571,000	1,016,321	1.04
2011	273,231,435	192,613,493	80,617,942	32,481,143	14,620,449	13,225,428	2,044,921	0.96	1,589,184	646,000	973,531	0.98
2012	290,217,990	204,642,159	85,575,831	36,295,726	61,108,119	84,312,186	5,222,713	0.68	1,870,493	891,000	921,536	1.03



¹ Includes sales tax generated in the Prairie Delaware Redevelopment District. See more in Note III.F. to the financial statements.

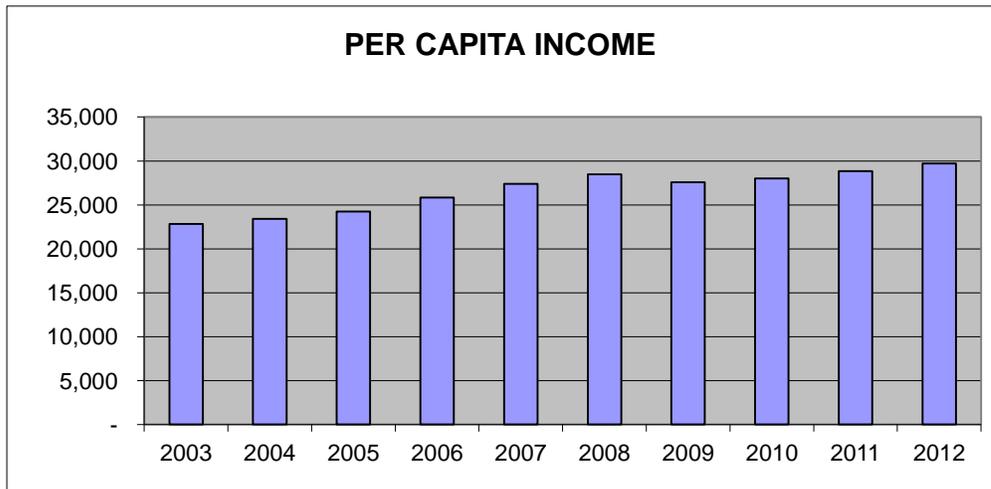
² Includes sales tax generated in three transportation development districts. See more in Note III.F. to the financial statements.

³ Excludes depreciation expense, amortization expense, and amortization revenue.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Year	Population		Personal Income (thousands of dollars)	Per Capita Personal Income	Public School Enrollment	Unemployment Rate ⁽⁵⁾
2003	155,942	(1)	3,568,120 ⁽³⁾	22,832 ⁽³⁾	28,823	11.0%
2004	154,376	(1)	3,627,486 ⁽³⁾	23,422 ⁽³⁾	28,571	9.3%
2005	153,700	(1)	3,742,504 ⁽³⁾	24,246 ⁽³⁾	28,059	8.8%
2006	152,900	(1)	3,970,858 ⁽³⁾	25,837 ⁽³⁾	27,970	7.6%
2007	153,454	(1)	4,223,792 ⁽³⁾	27,380 ⁽³⁾	27,877	7.4%
2008	154,233	(1)	4,415,768 ⁽³⁾	28,472 ⁽³⁾	27,867	7.8%
2009	155,499	(1)	4,310,940 ⁽³⁾	27,561 ⁽³⁾	28,538	11.2%
2010	157,505	(2)	4,420,281 ⁽³⁾	28,010 ⁽³⁾	28,455	10.4%
2011	157,974	(1)	4,562,495 ⁽³⁾	28,836 ⁽³⁾	28,462	9.7%
2012	159,129	(1)	4,703,932 ⁽⁴⁾	29,701 ⁽⁴⁾	29,284	8.6%

Includes Kansas City Kansas #500, Turner #202, Piper #203, Bonner Springs #204 and the Parochial schools within Wyandotte County.



Notes:

¹ U.S. Dept of Commerce, Bureau of Census, Local Population Estimates, revisions post-2010 Census data release.

² 2010 U.S. Census Counts

³ Bureau of Economic Analysis

⁴ Estimates based on trends

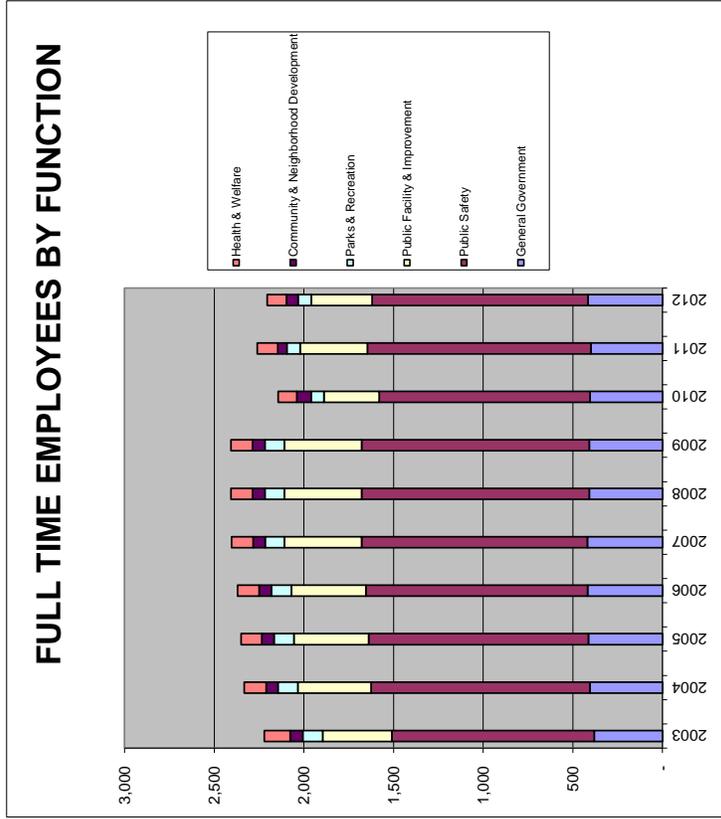
⁵ Due to changes made by the Kansas Dept of Labor on how employment statistics are calculated, 2000 or later years are not comparable to prior years. Therefore, the data is not shown above.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

	<u>Fiscal Year 2012</u>			<u>Fiscal Year 2003</u>		
	<u>Employees in County (Employment Range)</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees in County (Employment Range)</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Kansas University Hospital	4500-5000	1	5.35%	2500-3600	4	-
General Motors Corporation	3500-4000	2	4.30%	2500-3600	2	-
University of Kansas Medical Center	3500-4000	3	4.24%	2500-3600	5	-
Kansas City, KS School District #500	3500-4000	4	4.18%	2500-3600	3	-
Unified Government of Wyandotte Co/KCK	1000-2499	5	2.38%	1000-2500	7	-
Burlington Northern/Santa Fe Railroad	1000-2499	6	1.81%	2500-3600	1	-
Nebraska Furniture Mart	1000-2499	7	1.29%	750-1000	8	-
Associated Grocers	1000-2499	8	1.28%	400-499	19	-
Providence Medical Center	750-999	9	1.10%	1000-2500	6	-
Hollywood Casino	750-999	10	0.85%	-	-	-
United Parcel Service	-	-	-	750-999	9	-
Conagra Foods	-	-	-	500-749	10	-
	<u>23,613</u>		<u>26.77%</u>	<u>-</u>		<u>-</u>

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years**

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government	381	405	413	418	419	409	409	404	400	416
Public Safety	1,128	1,221	1,227	1,236	1,260	1,270	1,270	1,177	1,247	1,204
Public Facility & Improvement	386	409	416	416	430	431	431	308	375	340
Parks & Recreation	112	111	111	111	108	108	108	72	74	73
Community & Neighborhood Development	70	65	68	69	67	69	69	79	50	66
Health & Welfare	144	123	116	120	120	120	120	104	115	107
	<u>2,221</u>	<u>2,333</u>	<u>2,351</u>	<u>2,371</u>	<u>2,404</u>	<u>2,407</u>	<u>2,407</u>	<u>2,144</u>	<u>2,261</u>	<u>2,205</u>



Source: Unified Government Annual Budget Reports

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Number of Documents recorded in Register of Deeds	39,379	35,848	34,854	32,593	28,340	22,320	20,479	18,008	19,432	22,281
Number of registered voters	81,476	89,207	85,858	84,300	83,778	91,201	90,764	76,174	80,613	81,980
Public Safety										
Number of 911 calls	151,733	182,920	197,284	195,070	190,067	178,119	181,164	180,826	179,544	189,020
Number of Fire Department Calls	18,580	19,561	21,914	23,603	24,619	25,166	24,970	25,592	25,744	26,689
Violent Crimes	1,127	1,004	1,163	1,269	1,204	917	942	808	906	853
Public Facility & Improvement										
Number of bridges maintained	149	149	151	151	151	151	151	151	151	151
Miles of road maintained	1,900	1,901	1,909	1,924	1,943	1,947	1,943	1,943	1,943	1,943
Parks & Recreation										
Park acres maintained	2,729	2,729	2,729	2,729	2,729	2,729	2,600	2,600	2,600	2,600
Community & Neighborhood Development										
Number of Business Licenses Issued	6,360	6,626	7,170	7,394	7,515	7,387	7,185	7,092	7,141	7,036
Number of Demolition Permits Issued	234	242	232	212	208	153	119	195	123	171
¹ Number of Downpayment Assistance	45	42	46	20	16	10	16	13	8	24
² Number of Grants/Loans	190	204	155	141	95	86	149	97	117	149
Health & Welfare										
Number of Visits to the Health Department	30,564	29,775	28,008	25,938	24,682	26,313	34,537	30,506	29,520	29,286
Number of Clients to the Health Department	14,953	13,239	12,762	12,386	15,894	13,844	19,071	20,381	16,540	21,035
Number of Visits to the WIC Department	74,526	61,774	75,874	81,672	50,531	59,060	65,225	64,337	63,998	60,293
Number of Clients to the WIC Department	5,559	6,058	5,333	6,210	6,917	7,485	8,047	7,722	7,429	7,449
Number of Congregate Meals Served to Seniors	70,996	71,635	70,724	69,159	62,268	67,041	58,828	50,426	40,430	40,271
Number of Home Delivered Meals Served to Seniors	155,322	147,443	128,748	138,782	139,392	144,969	147,914	138,776	129,989	126,423
Number of Newsletters distributed	20,561	21,373	22,811	24,341	33,054	16,157	24,418	20,751	22,534	22,694
Number of Legal Hours provided	576	576	550	506	478	522	534	510	533	497

* Information not available.

Note: 911 Calls Wireline & Wireless 2003 does not include first 4 months of wireless call stats

¹ Downpayment Assistance Program (CHIP) is aimed at low-to moderate-income households for assistance to purchase single-family homes

¹ At an average estimated value of \$12,000 each over a ten year period represents an estimated \$5,808,000 investment

² Grants are aimed at very low-income single-family households and includes emergency grants, roofs, sewers, residential barrier removal, special service grants, lead-based paint removal, etc.

² Also includes grants/loans for low-to moderate income households such as the HELP loan program.

² At an average estimated value of \$4,000 each over a ten year period represents an estimated \$7,412,000 investment

Source: Unified Government budget department and individual departments.

**UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years**

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Government										
Office Buildings	11	11	11	11	11	11	12	12	12	12
Other Buildings	31	31	31	31	27	27	27	27	27	27
Public Safety										
Fire Stations	18	18	18	18	18	18	18	18	18	18
Fire Trucks/Engines	22	22	22	22	22	22	22	22	16	16
Ambulances		11	11	11	12	12	12	12	12	12
Police Stations	6	6	6	6	7	7	7	7	7	7
Public Facility & Improvement										
Number of Bridges	149	149	151	151	151	151	151	151	151	151
Miles of Roads	1,900	1,901	1,909	1,924	1,943	1,947	1,943	1,943	1,943	1,943
Number of Waste Water Plants	4	4	4	4	4	5	5	5	5	5
Parks & Recreation										
Number of Recreation Centers	7	6	6	6	9	8	7	7	7	7
Number of Parks	50	50	50	50	48	51	54	54	54	54

Source: Unified Government budget department and individual departments.

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